

Educational Opportunity

Tax Credit Scholarships Get Passing Grades

(NAPSA)—A growing number of legislators and policy makers are taking a closer look at an innovative scholarship program designed to provide parents and children with a wider range of educational options.

In general, these programs are known as tax credit scholarships. According to the Indianapolis-based Friedman Foundation for Educational Choice, these tax credit programs currently aid over 60,000 students with tuition scholarships that allow them to attend the school of their choice.

Here's how they work:

Individuals and/or corporations receive a tax credit for making donations to private charitable organizations, which use the money to fund scholarships for students. These scholarships can cover the cost of private school tuition, tutoring and transportation.

Arizona, Florida and Pennsylvania have the oldest programs, and Iowa, Georgia and Louisiana have newer efforts. In those states, Scholarship Granting Organizations (SGO's) provide students with tuition scholarships.

In Georgia, which has become a leader in the school choice movement, a new tax credit program enacted in 2008 provides corporations and individuals with a dollar-for-dollar tax credit for donations to scholarship organizations that help children transfer from public to private schools.

Other states have similar structures. Arizona has a personal and corporate tax credit program for donations.

Robert Enlow, president and CEO of the Friedman Foundation,



Tax credit scholarships can be used to cover the cost of private school tuition, tutoring and transportation.

says that tax credit programs provide parents with additional options in the education of their children. "One thing is clear: Parents are clamoring for more choices; one size does not fit all in the education arena."

Enlow offers these tips for designing a tax credit scholarship program:

- Scholarships should be available to a broad range of children.
- All taxpayers should be able to participate.
- Tax credits should be dollar for dollar.
- SGOs should be subject to reasonable regulations.
- Participating schools should also be subject to reasonable regulations.
- Applying for a tax credit or for a scholarship should be as simple as possible.

For more information on tax credit scholarship programs, contact the Friedman Foundation for Educational Choice at (317) 681-0745 or www.friedmanfoundation.org.