

# THE EDUCATION FREEDOM TAX CREDIT

Expanding School Choice for Arkansas Families



✓ Opted In

AFC

AMERICAN  
FEDERATION  
for CHILDREN

480,979

**students** eligible for EFTC scholarships  
(88.2% of Arkansas K-12 students)

302,800

**taxpayers** with enough tax liability to  
claim the full \$1,700 credit  
(23.4% of filers)

\$1,700

**dollar-for-dollar** federal tax credit for  
donors, after the tax credit launches in  
January 2027

## HOW IT WORKS

1

### MAKE A DONATION

Give to a qualified scholarship  
granting organization (SGO).

2

### SGO AWARDS A SCHOLARSHIP

Donations turn into  
scholarships for students who  
need them.

3

### STUDENT RECEIVES A SCHOLARSHIP

For education expenses:  
tuition, tutoring, technology,  
and more.

4

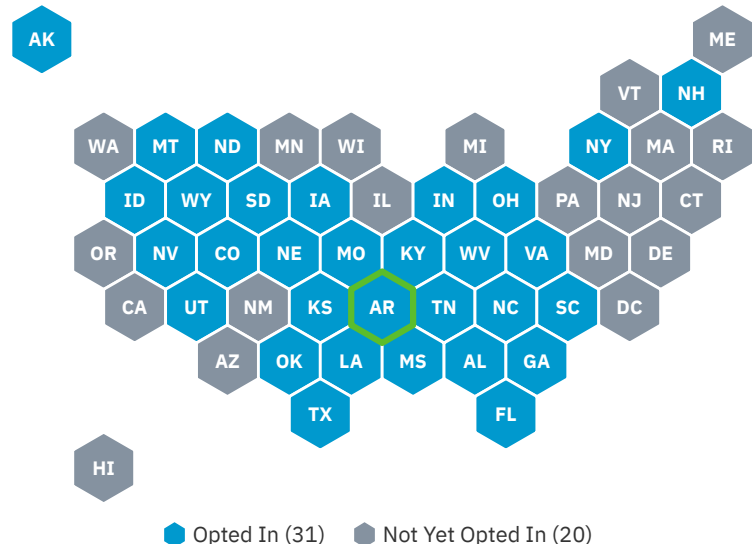
### DONOR CLAIMS THE CREDIT

At filing, the donor claims the  
dollar-for-dollar federal credit.

## ARKANSAS BY THE NUMBERS

- **480,979 Arkansas students are eligible** for EFTC scholarships.
- **Arkansas has opted in.** Its 480,979 eligible students can receive scholarships after the tax credit launches.
- **The EFTC builds on existing options.** Arkansas families currently have state private school choice programs; the Education Freedom Tax Credit will layer on a new stream of scholarship support at no cost to the state budget.
- **Most families qualify.** The income limit is 300% of area median income, which averages about \$254,000 for a family of four in Arkansas.
- **Students in public, private, and charter schools are eligible.**

## WHICH STATES HAVE OPTED IN



## SCHOLARSHIP DOLLARS FOR ARKANSAS STUDENTS

If Arkansas taxpayers with \$1,700 of tax liability redirect the full credit to an SGO, the dollars add up fast:

**\$51.5 million**

in scholarships every year if **10%** of taxpayers with \$1,700  
of tax liability participate

**\$154.4 million**

in scholarships every year if **30%** of taxpayers with \$1,700  
of tax liability participate

Eligible-student estimates: AFC analysis of U.S. Census, HUD, ACS, and Household Pulse data. Taxpayer and scholarship-dollar estimates: Education Reform Now, based on Census/IRS 2022 data. Opt-in status: [federal scholarships.com](https://federal scholarships.com), as of July 2026.