

# THE EDUCATION FREEDOM TAX CREDIT

Expanding School Choice for Indiana Families



✓ Opted In

AFC

AMERICAN  
FEDERATION  
for CHILDREN

**1,164,165**

**students** eligible for EFTC scholarships  
(94.8% of Indiana K-12 students)

**871,394**

**taxpayers** with enough tax liability to  
claim the full \$1,700 credit  
(26.8% 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

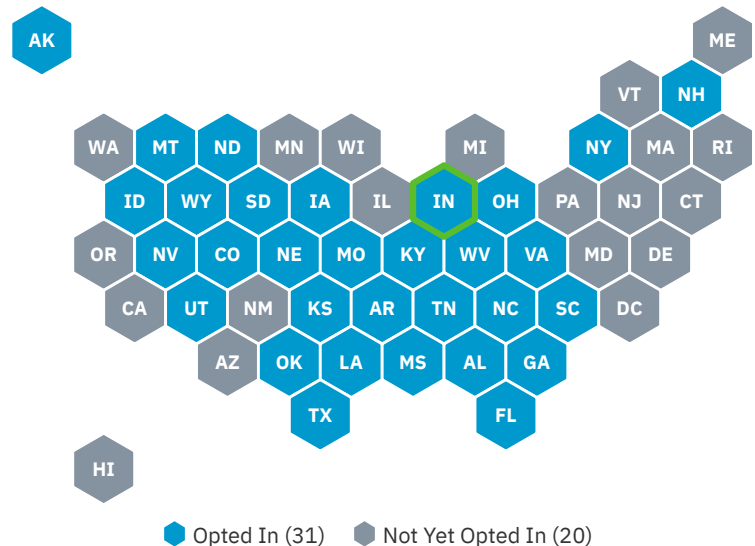
### DONOR CLAIMS THE CREDIT

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

## INDIANA BY THE NUMBERS

- **Indiana has the 14th-largest eligible student population** in the country: 1.2 million students.
- **Indiana has opted in.** Its 1.2 million eligible students can receive scholarships after the tax credit launches.
- **The EFTC builds on existing options.** Indiana 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 \$292,000 for a family of four in Indiana.
- **Students in public, private, and charter schools are eligible**, in addition to homeschool students in Indiana.

## WHICH STATES HAVE OPTED IN



## SCHOLARSHIP DOLLARS FOR INDIANA STUDENTS

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

**\$148.1 million**

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

**\$444.4 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: [federalsscholarships.com](https://federalsscholarships.com), as of July 2026.