THE EDUCATION FREEDOM TAX CREDIT

Expanding School Choice for Iowa Families

✓ Opted In

AFC AMERICAN FEDERATION for CHILDREN

519,553
students eligible for EFTC scholarships (92.3% of Iowa K-12 students)

1,167,242
tax filers eligible to donate and claim the EFTC credit (76.4% of filers)

$1,700
dollar-for-dollar federal tax credit per taxpayer, or $3,400 for married couples filing jointly, starting 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.

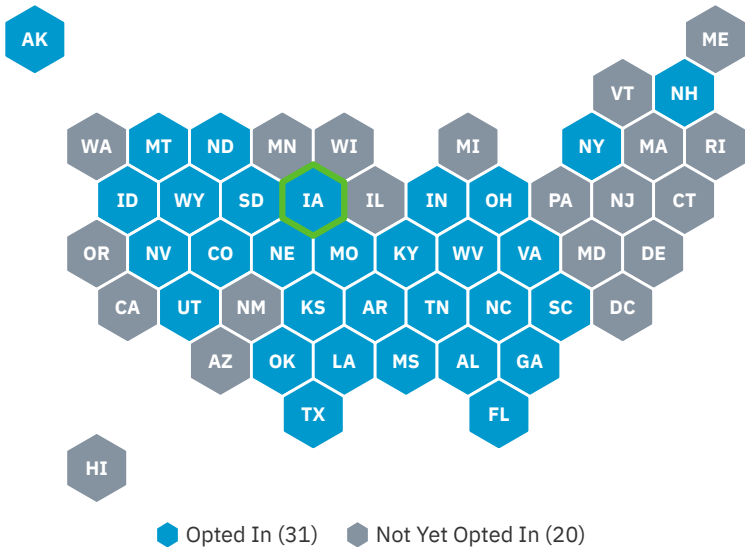
3. **STUDENT RECEIVES A SCHOLARSHIP**
For education expenses: tuition, tutoring, special education services, and more.

4. **DONOR CLAIMS THE CREDIT**
At filing, the donor claims the dollar-for-dollar federal credit.

IOWA BY THE NUMBERS

- **Iowa has the 30th-largest eligible student population** in the country: 519,553 students.
- **Iowa has opted in.** Its 519,553 eligible students can receive scholarships after the tax credit launches.
- **The EFTC builds on existing options.** Iowa 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 $311,000 for a family of four in Iowa.
- **Students in public, private, and charter schools are eligible.**

WHICH STATES HAVE OPTED IN



SCHOLARSHIP DOLLARS FOR IOWA STUDENTS

If Iowa taxpayers redirect up to $1,700 ($3,400 for married couples filing jointly) to an SGO, the dollars add up fast:

$264.1 million
in scholarships every year if **10%** of taxpayers participate

$528.1 million
in scholarships every year if **20%** of taxpayers participate

Eligible-student estimates: AFC analysis of U.S. Census, HUD, ACS, and Household Pulse data. Taxpayer and scholarship-dollar estimates: AFC Growth Fund, Who Can Fund a Scholarship? (Sept. 2026), updated Oct. 2026, afcgrowthfund.org/s/AFCGF-Who-Can-Fund-a-Scholarship-EFTC-Eligibility-Report-s5t9.pdf. Opt-in status: federalscholarships.com, as of October 2026.

American Federation for Children (AFC) is the nation's largest school choice advocacy organization and the most successful force for education freedom in America, passing over 200 laws across 32 states throughout our history.

Learn more about our affiliated scholarship granting organization at afcscholarshipfund.org.

FEDERATIONFORCHILDREN.ORG