

THE EDUCATION FREEDOM TAX CREDIT

Expanding School Choice for South Dakota Families



✓ Opted In

AFC

AMERICAN
FEDERATION
for CHILDREN

153,979

students eligible for EFTC scholarships
(90.3% of South Dakota K-12 students)

132,254

taxpayers with enough tax liability to
claim the full \$1,700 credit
(29.9% 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

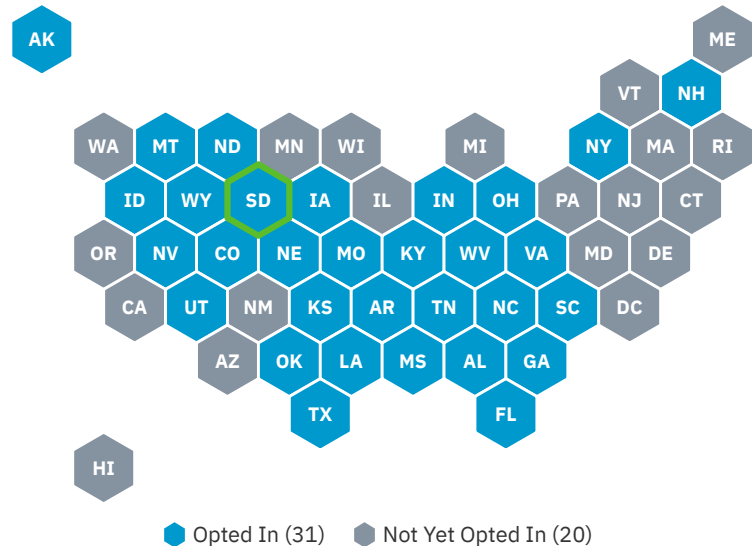
DONOR CLAIMS THE CREDIT

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

SOUTH DAKOTA BY THE NUMBERS

- **153,979 South Dakota students are eligible** for EFTC scholarships.
- **South Dakota has opted in.** Its 153,979 eligible students can receive scholarships after the tax credit launches.
- **The EFTC builds on an existing option.** South Dakota families currently have a state private school choice program; 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 \$310,000 for a family of four in South Dakota.
- **Students in public and private schools are eligible.**

WHICH STATES HAVE OPTED IN



SCHOLARSHIP DOLLARS FOR SOUTH DAKOTA STUDENTS

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

\$22.5 million

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

\$67.4 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: federalscholarships.com, as of July 2026.