

THE EDUCATION FREEDOM TAX CREDIT

Expanding School Choice for Tennessee Families



✓ Opted In

AFC
AMERICAN
FEDERATION
for CHILDREN

1,132,199

students eligible for EFTC scholarships
(94% of Tennessee K-12 students)

855,752

taxpayers with enough tax liability to
claim the full \$1,700 credit
(26.4% 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

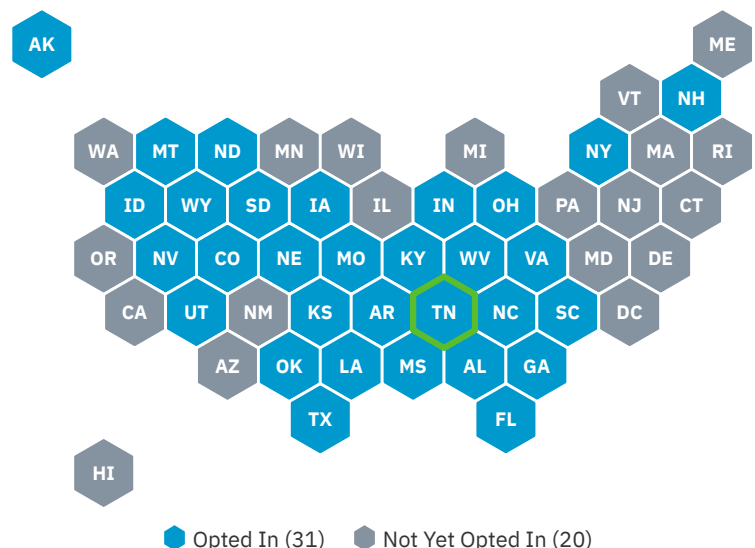
DONOR CLAIMS THE CREDIT

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

TENNESSEE BY THE NUMBERS

- **Tennessee has the 15th-largest eligible student population** in the country: 1.1 million students.
- **Tennessee has opted in.** Its 1.1 million eligible students can receive scholarships after the tax credit launches.
- **The EFTC builds on existing options.** Tennessee 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 \$289,000 for a family of four in Tennessee.
- **Students in public, private, and charter schools are eligible**, in addition to homeschool students in Tennessee.

WHICH STATES HAVE OPTED IN



SCHOLARSHIP DOLLARS FOR TENNESSEE STUDENTS

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

\$145.5 million

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

\$436.4 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 scholarship fund.org, as of July 2026.