Indiana School Scholarship Tax Credit and Federal Scholarship Tax Credit
Frequently Asked Questions
2026-2027 School Year

This FAQ contains general information about Scholarship Granting Organizations (SGO) for both parents/guardians of prospective students, individuals or entities who may make a donation to an SGO and SGOs interested in conducting business in Indiana. Donations to an SGO must be designated to be used by the SGO in a school scholarship program in order to qualify for a tax credit.

General Information for Parents and Donors		
Number	**Question**	**Answer**
1	**What is an SGO?**	The term SGO stands for Scholarship Granting Organization. An SGO must have 501(c)(3) tax exempt status and be approved by the Indiana Department of Education to conduct business in the state. An SGO is an organization that awards school scholarships to eligible students. Qualified SGOs receive funding for school scholarships from private, charitable donations.
2	**What is the tax credit?**	Those who have donated to an Indiana School Scholarship Tax Credit program that has been certified by the Indiana Department of Education (IDOE) will then be eligible to take advantage of a 50% credit against their individual or entity's state tax liability. Those who have donated to a Federal Scholarship Tax Credit program that has been certified by the IDOE will be eligible for up to $1,700 dollar-to-dollar tax credit per donor.
3	**What SGOs are currently certified and participating in the school scholarship program?**	There are currently nine participating Indiana School Scholarship Tax Credit SGOs: • Community Foundation of Elkhart County • Indiana Foundation for Education Advancement • Institute for Quality Education, Inc. • Legacy Foundation • The Lutheran Scholarship Granting Organization of Indiana, Inc. • Professional Athletes of Indiana • Sagamore Institute Scholarship for Education Choice • School Scholarship Granting Organization of Northeast Indiana, Inc. • Shelves Achim, Inc. At this time, no Federal Scholarship Tax Credit programs have been approved. Contact information for each SGO is available on IDOE's Scholarship Granting Organization webpage.

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4	**What schools participate in the SGO Program?**	A list of SGO participating schools can be found on the Scholarship Granting Organization webpage. Schools interested in participating in the program should contact a specific SGO for information. A list of SGOs and their contact information is posted on the webpage.
5	**Are there any rules regarding the scholarship award amounts granted by the SGO?**	State law does not place a minimum or maximum award amount on SGO Scholarships. SGOs determine their policies on the amounts of awards granted.
6	**What are the reporting requirements for SGOs?**	State and Federal SGOs will report annually to the Department the number of contributions, the number of scholarships awarded, the amount of the contributions, and the amount of the scholarships awarded, as well as provide a copy of their annual audit per Indiana code (IC) 20-51-3-6 and IC 20-51-3-10.
7	**What are the income requirements for a student to qualify for an SGO?**	In accordance with IC 20-51-1-5, a student receiving the Indiana School Scholarship Tax Credit must be a member of a household with an income below 400% of the amount to qualify for the National School Lunch Program. The Federal Scholarship Tax Credit scholarship is available to students in grades K-12 in participating states with a household income less than 300% of area median gross income.
8	**Does income need to be re-verified each year?**	Yes. Household income must be verified by the SGO for each year that a student is applying for the scholarship.
9	**What are the eligibility requirements to receive a scholarship from an Indiana School Scholarship Tax Credit program?**	A student must have legal settlement in Indiana and be at least four years of age and less than 22 years of age on or before August 1 in the year in which they are applying for an Indiana School Scholarship Tax Credit award. Additionally, the student must be enrolled in a participating school. While SGOs must conform to the requirements set forth in IC 20-51, they may determine additional requirements in their policies for eligibility and award amounts. Parents should work with the school in which they are enrolling their child to determine if their student will qualify for an SGO award.

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Number	**Question**	**Answer**
10	**What are the eligibility requirements to receive a scholarship from a Federal Scholarship Tax Credit program?**	To receive a Federal Scholarship Tax Credit scholarship, a student must be in grades K-12 in participating states, with a household income less than 300% of the area median gross income.
11	**Is it allowable to use an SGO for pre-K tuition?**	Indiana School Scholarship Tax Credit awards may be used for pre-K tuition at participating non-public schools. Parents should work with the school in which they are enrolling their pre-K child to determine if their student will qualify for an SGO award. The Federal Scholarship Tax Credit award is only available to students in grades K-12.
12	**If used for pre-K, does the pre-K need to be full time?**	State law does not prescribe the number of days or amount of time required for a pre-K program. Parents should work with the school in which their student is going to attend the pre-K program to determine if they will qualify and the amount of the SGO award.
13	**How does an application for a student SGO scholarship get submitted?**	To apply for an SGO award, the parent/guardian should contact the participating school in which they intend to enroll their student. The school will work with the parent/guardian to complete the SGO application.
14	**Are Choice Scholarships and Tax Credit Scholarships the same?**	No. The Choice Scholarship Program provides state funded scholarships to eligible Indiana students to offset tuition costs at participating schools. Tax Credit scholarships are funded by private, charitable donations and awarded by a certified Scholarship Granting Organization to eligible students.
15	**Can a student who receives a Tax Credit Scholarship award also receive a Choice Scholarship?**	Yes. A student who meets the requirements for a Choice Scholarship may also qualify for a Tax Credit Scholarship in the same year. Students can qualify for both the Indiana School Scholarship Tax Credit and the Federal School Tax Credit in the same year.

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Number	**Question**	**Answer**
16	**What is the total limit on contributions to SGOs?**	There are no limits to the amount a donor can contribute to a qualified Indiana SGO, however, the entire tax credit program cannot award more than $18.5 million in credits for the fiscal year ending June 30, 2023, and each fiscal year thereafter as outlined in IC 6-3.1-30.5-13. There is no federal cap on the Federal Scholarship Tax Credit. Each donor can receive up to $1,700 dollar-for-dollar tax credit, with carry forward up to 5 years. Married couples, who file jointly, can contribute up to $3,400 annually.
17	**Where can I find if there are Indiana tax credits available?**	The Indiana Department of Revenue (IDOR) provides the total credits awarded to date on their School Scholarship Credit webpage.
18	**How do I claim a credit for my donation to an SGO?**	When a donation is made, a tax credit ID number is created, the SGO should communicate this number to you. The School Scholarship Credit Form, IN-OCC is the tax form that is required to be completed to claim the credit. A link to the tax form is posted on the IDOR webpage here.
19	**Can a donor designate a specific school for their contribution to be used?**	Yes, Indiana School Scholarship Tax Credit programs allow donors to designate a participating school for which the contribution must be used as scholarships in accordance with IC 20-51-3-3. The Federal Scholarship Tax Credit program allows donors to designate their gift to be used for scholarships at the public, private or religious school of their choice, and/or for specific programs focused on Before/After Care, Tutoring, Literacy, Apprenticeships, etc. §25F(d)(1)(E) prohibits SGOs from earmarking donations to specific students.
20	**Can an SGO limit participation to one school?**	No, pursuant to IC 20-51-3-5, an SGO may not limit the availability of scholarships to students of only one participating school; and, the schools for which an SGO designates scholarships cannot have paid employees (or a household relative of a paid employee) in common with the SGO. The Federal Scholarship Tax Credit requires the SGO to provide scholarships to more than 10 students who do not all attend the same school per § 25F(d).
21	**Can a donor designate a specific student to receive the donation as an SGO?**	No, if a donation is made on behalf of an individual student, that would be considered a tuition payment - rather than an SGO donation - and thus would not be eligible for the tax credit.

General Information for Scholarship Granting Organizations		
Number	**Question**	**Answer**
1	**How does an organization become an SGO?**	An organization that seeks certification as an SGO must submit an application, agreement, and documents that establish eligibility under applicable statutes and rules to IDOE. The documents must include: ● Proof of 501(c)(3) status ● Proof, through articles of incorporation or other documents, that the organization is organized at least in part to grant school scholarships ● Program policies ● Program procedures ● Promotional or descriptive materials about the program, including eligibility criteria and application forms The application and supporting documents are submitted to IDOE via jotform for review and certification, which can be found on our webpage.
2	**What am I required to report as a certified SGO?**	Both state and federal SGOs must annually report to IDOE the number of contributions and the total dollar amount of the contributions, total scholarships awarded and the total amount awarded in scholarships, total school scholarships awarded and the total amount awarded in school scholarship. SGOs are also required to report the total dollar amount spent on administrative costs. All donations must also be reported to the Indiana Department of Revenue.
3	**What schools can I partner with?**	Schools that are eligible to receive the Indiana School Scholarship Tax Credit must be accredited by the State Board of Education or by an approved third-party accrediting body. Federal SGOs can partner with homeschools, non-public schools, charter schools or traditional public schools.
4	**Can I have pending 501(c)(3) status and still apply to be a Scholarship Granting Organization?**	IC 20-51-1-7 requires Indiana School Scholarship Tax Credit programs to be exempt from federal income tax under 501(c)(3) of the Internal Revenue Code. IDOE will accept applications with pending 501(c)(3) status for the Federal Scholarship Tax Credit, however, SGO approval will be conditional pending final 501(c)(3) recognition.

For additional information, please email ChoiceSchool@doe.in.gov.