Education Freedom Tax Credit
Implementation Plan and Interagency Framework
Pursuant to South Carolina Proviso 1.127

I. Purpose

Pursuant to Proviso 1.127 of the 2026-27 General Appropriations Act, the study committee was convened to develop recommendations for implementing the federal Education Freedom Tax Credit (EFTC) scholarship program in South Carolina and to examine opportunities to align the program with the state's existing educational scholarship programs: the Educational Credit for Exceptional Needs Children (ECENC) programs administered by the SC Department of Revenue and the Education Scholarship Trust Fund (ESTF) program administered by the SC Department of Education.

> **1.127.** (SDE: Tax Credit Study Committee) (A) The Department of Education shall convene and staff a study committee to examine and propose recommendations for alignment of the Educational Credit for Exceptional Needs Children, the Education Scholarship Trust Fund, and the Federal Education Freedom Tax Credit Scholarship Program.
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> (B) The study committee shall be comprised of the following individuals:
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> (1) one member appointed by the Governor, who shall serve as Chair of the study committee;
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> (2) one member appointed by the Superintendent of Education;
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> (3) one member appointed by the Chairman of the Senate Finance Committee;
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> (4) one member appointed by the Chairman of the House Ways and Means Committee;
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> (5) one member appointed by the Chairman of the Senate Education Committee;
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> (6) one member appointed by the Chairman of the House Education and Public Works Committee; and
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> (7) one member appointed by the Director of the South Carolina Department of Revenue.
>
> (C) Members of the study committee shall receive no compensation but may receive per diem and mileage from the South Carolina Department of Education as provided for boards and commissions.
>
> (D) Pending the release of federal guidance on the Federal Education Freedom Tax Credit Scholarship Program, the study committee must submit recommendations on implementation of the scholarship program to the Governor,

the Speaker of the House of Representatives, and the President of the Senate no later than December 1, 2026, or 60 days after publication of the federal guidance, whichever comes later.

The recommendations of the Study Committee must be submitted no later than December 1, 2026, or sixty days after publication of federal guidance.

The Study Committee was composed of the following individuals:

(1) Melanie Barton, Chair of the Study Committee and Deputy Chief of Staff/Senior Education Advisor for Governor Henry Dargan McMaster;
(2) The Honorable Ellen Weaver, State Superintendent of Education;
(3) The Honorable Larry Grooms, appointed by the Chairman of the Senate Finance Committee and representing District 37 in the Senate;
(4) The Honorable Shannon Erickson, appointed by the Chairman of House Ways and Committee and representing District 124 in the House of Representatives;
(5) The Honorable Shane Massey, appointed by the Chairman of the Senate Education Committee and representing District 25 in the Senate;
(6) The Honorable Steven Long, appointed by the Chair of the House Education and Public Works Committee and representing District 37 in the House of Representatives; and
(7) Bonnie Swingle, Executive Assistant for Government Services at the South Carolina Department of Revenue.

The Study Committee met on the following dates at the South Carolina Department of Education. Appendix B contains the agenda for each meeting and Appendix C contains the meeting materials.

October 16, 2026
October 30, 2026
November 13, 2026

II. Initial Implementation

Pursuant to federal law, the governor or other individual, agency, or entity designated under state law decides if the state elects to participate in the program. A state that elects to participate must complete Form 15714 to the IRS by January 1, 2027. In addition, for tax year 2027, each State participating must submit the list of SGOs that will participate by February 15, 2027. The term State SGO list is the list of all SGOs in the State that can operate in the State for a calendar year. For all subsequent years, the list of SGOs is required by January 1.

On January 13, 2026, Governor Henry Dargan McMaster submitted Form 15714 to the Internal Revenue Service electing South Carolina to participate in the program.

On October 13, 2026, Governor McMaster issued Executive Order 2026-23. This Executive Order directs the South Carolina Department of Revenue (DOR) to assist in creating and receiving applications from entities that want to be considered a scholarship granting organization in South Carolina. DOR must submit a list of applicants to the Office of the Governor by February 1, 2027.

III. Responsibilities and Duties of Participating in the Program

The committee discussed several duties and responsibilities that must be addressed to faithfully implement the Education Freedom Tax Credit Scholarship Program:

Program Administration and Communications

1. Program Administration

- Develop program guidance and administrative procedures for families, schools, school districts, and participating organizations.
- Identify opportunities to align administrative processes among the educational scholarship programs.

2. Communications and Stakeholder Engagement

- Serve as the primary educational resource for parents, schools, districts, and other stakeholders.
- Develop and maintain program information, guidance, and communication materials.
- Provide clear information regarding program eligibility, scholarship opportunities, and allowable educational expenses.
- Coordinate communication regarding approved SGOs and program participation.

3. Technology Platform Development and Management

- Procure, develop and implement a third-party technology platform.
- Establish procedures for reporting scholarship awards and expenditures, consistent with applicable law.
- Facilitate appropriate data sharing among the three scholarship programs and participating agencies.
- Establish reporting capabilities that support program evaluation, transparency, and fraud prevention.

SGO Regulatory Oversight

1. SGO Application and Approval

- Establish and maintain an application process for organizations seeking approval to participate as SGOs.
- Review applications for compliance with applicable federal and state requirements.
- Establish procedures for approval, renewal, suspension, or removal, as authorized by law.
- Maintain the official list of approved SGOs.

2. SGO Directory Management

- Establish and maintain a publicly accessible directory of approved SGOs, utilizing the platform.
- Include relevant organizational information, contact information, scholarship focus, geographic reach, and available financial and audit information.
- Establish procedures for regularly updating organizational information and compliance status.

3. Audit and Compliance Oversight

- Establish procedures for collecting and reviewing required financial statements and audit documentation.
- Monitor compliance with applicable federal requirements.
- Ensure that audit documentation requirements reflect the applicable federal thresholds and standards.
- Establish procedures for addressing reported concerns and potential noncompliance within the agency's legal authority.

There are no federal funds available to states who participate in the Education Freedom Tax Credit Scholarship Program for any administrative costs related to program implementation. Any state who participates must allocate state funds for such administrative costs as personnel or technology. According to the South Carolina Department of Education, there may be funds available from the existing Education Scholarship Trust Fund program that can be used to defer some of the administrative costs of the Education Freedom Tax Credit Scholarship Program.

IV. Future Implementation

Going forward, the Study Committee discussed the importance of establishing a coordinated approach for administering the Education Freedom Tax Credit Scholarship Program while maintaining appropriate oversight, accountability, transparency, and protection of student information. To this end, the South Carolina General Assembly should consider the following issues:

A. **Participation** – South Carolina is participating in the program per the action of Governor McMaster.

   Recommendation: If the General Assembly desires to continue program participation in tax year 2028 and beyond, then the General Assembly must appropriate new or allocate existing general funds to the program.

B. **Governance** – Currently, the Governor has designated the Department of Revenue as the state agency to approve scholarship granting organizations (SGOs) for federal tax year 2027.

   Recommendation: For future tax years, the General Assembly should enact legislation establishing a lead agency or multiple agencies responsible for the program administration, implementation, communications, and educational stakeholder engagement. Administration includes the approval of SGOs.

   This lead agency or agencies would establish a consistent SGO approval, registration, directory, and audit oversight process.

   The committee discussed three options including: the South Carolina Department of Education; the Department of Revenue; and the Secretary of State's Office, which already oversees the registration of non-profit charities.

C. **Data Sharing and Accountability** – Protecting student privacy and implementing fraud-prevention safeguards are critical components of the program.

   Recommendation: The state of South Carolina should consider procuring a third-party technology platform that supports alignment and transparency among the three scholarship programs. A third technology platform would support coordination and transparency among the following scholarship programs - Educational Credit for Exceptional Needs Children; Education Scholarship Trust Fund; and Education Freedom Tax Credit Scholarship.

   The platform should provide a coordinated administrative infrastructure that allows the state to monitor program activity, improve visibility into scholarship awards and expenditures, and identify potential duplication or misuse of funds.

   The goal is not to combine the statutory requirements or funding streams of the three programs, but to create a common technology infrastructure that supports consistent reporting, appropriate data sharing, and transparency while preserving each program's distinct eligibility, funding, and regulatory requirements.

   How the platform will be funded and how many staff positions are needed to implement the system will have to be addressed in a fiscal impact statement that accompanies legislation introduced in the General Assembly.

D. Additional Program Considerations – In considering legislation to address South Carolina's administration of this program, the General Assembly should consider the following:

1. Definition of "School" and Eligible Educational Settings

For the initial implementation period, the General Assembly should prioritize clear guidance and processes for students attending traditional public, public charter, and independent schools, to the extent permitted by federal law. Additional consideration should be given to students in all educational settings as the program matures and the state gains experience with implementation. Appendix A contains a letter from several members of the study committee recommending that students in all educational settings be eligible for the program.

2. State Scholarship Priorities

The General Assembly should consider whether additional policy guidance is appropriate to establish statewide scholarship priorities for students with needs, including students receiving special education services, students in rural communities, and students in foster care. Types of educational services, such as tutoring, after school services, or summer enrichment might also be considered. Any priorities must be consistent with federal requirements and the authority granted to SGOs.

3. Audit Standards

The General Assembly must ensure that SGO audit documentation requirements are consistent with applicable federal regulations, including the different audit requirements based on annual receipts.

4. Mitigating Fraud and Abuse

The General Assembly may consider charging the Office of the Inspector General with duties related to the mitigation of fraud and abuse. The Office of the Inspector General could analyze data produced by the technology platform and determine if further investigations are needed.

V. Conclusion

South Carolina has an opportunity to implement the federal Education Freedom Tax Credit Scholarship program through a coordinated approach that builds upon existing state programs, agency expertise, and available technology.

Appendix A
Majority Report Regarding Recommendation IV.D.1—Definition of "School" and Eligible Educational Settings

To the Members of the South Carolina General Assembly:

As four of the seven members of the Education Freedom Tax Credit Study Committee, we appreciate the collaborative work reflected in this report and support its broader recommendations for responsible implementation of the federal scholarship program.

However, we the undersigned, representing a majority of the committee's members, respectfully dissent from Recommendation IV.D.1, which would prioritize certain educational settings during initial implementation and defer consideration of others until the program matures.

We believe every federally eligible South Carolina student should have the opportunity to participate from the outset, regardless of the educational setting their family has chosen.

The purpose of the federal Education Freedom Tax Credit Scholarship Program is to expand educational opportunity and help families meet their children's individual learning needs. That opportunity should extend to students attending traditional public schools, public charter schools, independent schools, and other federally eligible educational environments, including students educated at home or through innovative learning models.

South Carolina families increasingly pursue educational opportunities that do not fit neatly within traditional school classifications. Students may receive instruction through a combination of homeschooling, tutoring, microschools, hybrid programs, online coursework, and specialized educational services. Their educational needs are no less legitimate, and their families should not face unnecessary barriers simply because they have chosen a different path.

Federal Treasury guidance raises important questions about how state definitions of “school” may affect the use of scholarship funds for students in nontraditional educational settings. The General Assembly therefore has an important opportunity to ensure that South Carolina's statutory framework is as inclusive as federal law permits.

We recognize that implementation requires clear eligibility standards, appropriate accountability, and safeguards against misuse of funds. These responsibilities are essential. But administrative complexity should not become a justification for excluding otherwise eligible students, particularly those with special educational needs or limited financial resources.

Our recommendation is straightforward: The General Assembly should carefully consider statutory language that maximizes student access and opportunity and ensures the inclusion of all federally eligible students, regardless of their educational setting. South Carolina's implementation should reflect the full scope of educational opportunities

permitted under federal and state law.

We share the committee's commitment to a successful launch and responsible stewardship of this program. We believe South Carolina should establish an inclusive framework from the beginning, rather than require families to wait for opportunities that federal law may already permit.

The measure of this program's success should be the opportunities it opens for children, regardless of their chosen educational setting.

Respectfully Submitted,

Senator Larry Grooms
Member, Education Freedom Tax Credit Study Committee

Representative Shannon Erickson
Member, Education Freedom Tax Credit Study Committee

Representative Steven Long
Member, Education Freedom Tax Credit Study Committee

State Superintendent of Education Ellen Weaver
Member, Education Freedom Tax Credit Study Committee

APPENDIX B
Meeting Agendas

Education Freedom Tax Credit Study Committee

Friday, October 16, 2026
1:00 PM
Room A244

AGENDA

1. Welcome & Introduction of Committee
   Melanie Barton, Chair

2. Overview of Proviso 1.127
   SCDE Staff

3. Overview of the Education Freedom Tax Credit
   Greg Dolan, Senior Advisor, U.S. Department of Treasury

4. Discussion

5. Future Meetings/Discussion

6. Adjournment

Education Freedom Tax Credit Study Committee

Friday, October 30, 2026
10:00 AM
Room A244

AGENDA

1. Call to Order
   Melanie Barton, Chair

2. Education Freedom Tax Credit State Implementation
   ExcelinEd

3. Department of Revenue Update: Request for Information & Application for Scholarship Granting Organizations (SGOs)

4. Discussion

5. Adjournment

Education Freedom Tax Credit Study Committee

Friday, November 13, 2026
10:00 AM
Room A244

AGENDA

1. Call to Order
   Melanie Barton, Chair

2. Update from Department of Revenue: Request for Information

3. Discussion

4. Approval of Proposed Recommendations

5. Adjournment

APPENDIX C
Meeting Materials

EFTC Frequently Asked Questions

Questions Related to States

1. How can a state become a covered state?
The term covered State means a State that makes a State election to participate under section 25F for a particular calendar year.

2. How do states register with the IRS?
Before states can register through the IRS State section 25F portal, they must obtain a special-purpose EIN. Once obtained, states will use the following information to register: the special-purpose EIN, contact information, and any information the IRS deems necessary to fulfill the requirements of the law. After registering, states can commit a series of tasks, including electronically submitting their state election (including advance election), State SGO list, any changes to the State SGO list, and annual certifications. Note that this process is not required for the first year. For 2027 only, States must submit an advance election on Form 15714 on or before January 1, 2027.

3. What is the deadline to submit the SGO list?
Per the federal proposed regulations (REG-117199-25), for calendar year 2027 only, a State may provide its State SGO list on or before February 15th, 2027 through the IRS State section 25F portal. However, per South Carolina Executive Order No. 2026-23, the Department of Revenue must submit the complete SGO list to the office of the governor by February 1st, 2027.

4. Will newly elected governors be able to opt in before the deadline?
Yes. To accommodate an election made by a Governor who is newly inaugurated, on or before January 1 of that year means up to 11:59 PM on January 1.

5. Can a State add requirements to an SGO?
Though states are forbidden from adding extra restrictions to who can be an SGO, individual scholarship organizations are completely free to set stricter rules for themselves. For example, a local charity can choose to fund only specific subjects like science or foreign languages or focus exclusively on helping much lower-income families, provided that the SGO still meets the statutory and regulatory requirements for SGOs. The IRS expects SGOs to advertise their unique mission, scope of their scholarships, and successes in achieving better student outcomes, to attract more qualified contributions from taxpayers supportive of their mission.

Questions Related to SGOs

1. What is an SGO?
Scholarship Granting Organizations (SGOs) are a type of charitable tax-exempt organization subject to unique reporting rules and operational and spending restrictions. These charities serve as intermediary between donors and scholarship recipients. They design their own K-12 scholarship program, raise money from tax-credited donations, process scholarship applications, vet the recipients for eligibility, and distribute the scholarships. They must also comply with federal laws, IRS oversight, and state review. SGOs will determine which education services to offer and the specific amount of aid to provide based on need. They must abide by federal rules to be considered an SGO for the purpose of the tax credit.

2. What is the difference between a single-state SGO and a multistate SGO?

A single-State SGO is an organization included on the State SGO list of only one covered State. A multistate SGO is an SGO that is included on the State SGO list of more than one covered State.

3. How does an SGO qualify?
To qualify for the federal tax credit, an SGO must be a tax-exempt public charity (or have pending status if the state allows) officially listed by a participating state. Operationally, it must maintain segregated accounts, serve at least 10 students across two or more schools, restrict awards to students below 300 percent of the area median income, undergo an annual third-party audit, and provide donors with a unique written acknowledgment by January 31 to validate their tax credit claims. While it must generally spend at least 90 percent of its annual income on scholarships, an operational safe harbor is available: if at least 85 percent of a single-State SGO's activities consist of scholarship granting activities, the organization may apply the operational requirements—including the 90 percent spending rule—strictly to the organization's section 25F segregated account, rather than to the organization as a whole.

4. What does it mean for an SGO to be located in the state?

An organization is considered located in the state if it is authorized to do business in the State and is in compliance with the generally applicable State laws and requirements for charitable organizations in the State, including provisions for transparency, accountability, and fraud prevention.

5. What does IRS SGO list mean?
The term IRS SGO list means the aggregated list of SGOs included on one or more State SGO lists that the IRS maintains and publishes on https://www.irs.gov

6. What does the State SGO list mean?
The term State SGO list means the list of all SGOs located in the State that the covered State submits to the IRS for a particular calendar year (and that may be changed during such calendar year).

7. How do SGOs register with the IRS?
An SGO must register electronically through the IRS SGO portal. This portal allows each organization to obtain instructions for creating a unique donor number, based on a uniform format to be used by all SGOs, and report qualified contribution information to the IRS. The SGO also uses the IRS SGO portal to periodically authorize disclosure of the organization's name and identifying information on the IRS SGO list for a calendar year, available on https://www.irs.gov. An organization must authorize such disclosure if it wants the IRS to publish such information on the IRS SGO list. The IRS prefers SGOs to complete the registration process as soon as possible and before the organization appears on any State SGO list.

8. What is considered a school?
Any school that provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.

9. What is an eligible student?
A student with a household income that does not exceed 300% of the area median gross income, and the student must be eligible to enroll in a public elementary or secondary school. However, the student does not need to be currently enrolled or attending school at the exact time they apply or receive the award. This allows families to safely receive a scholarship during the summer months before incurring any qualified educational expenses later in the school year. However, the regulations provide two safe harbor residency exceptions: dependents of a member of the Armed Forces of the United States can be treated as being solely within both the state of their domicile and the state where the service member resides, and dependents of an individual residing on Indian Lands can be treated as being solely within both the state of the student's residence and the state where they attend school.

10. Can an SGO give goods or services to donors for their contribution?
If an SGO provides any goods or services as consideration for any part of the contribution, then the value of those goods and services must be subtracted from the amount of the charitable contribution to arrive at the amount of the qualified contribution.

11. What are eligible expenses?
Pending additional regulations, eligible expenses for the tax credit program are currently the same expenses defined in the Coverdell education savings accounts.

(i) expenses for tuition, fees, academic tutoring, special needs services in the case of a special needs beneficiary, books, supplies, and other equipment which are incurred in

connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school,

(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance, and

(iii) expenses for the purchase of any computer technology or equipment or Internet access and related services, if such technology, equipment, or services are to be used by the beneficiary and the beneficiary's family during any of the years the beneficiary is in school.

Clause (iii) shall not include expenses for computer software designed for sports, games, or hobbies unless the software is predominantly educational in nature.

Questions Related to Donors

1. What is a qualified contribution?

The term qualified contribution means a charitable contribution of cash made by an individual to an SGO to the extent that the donor designates to the recipient SGO, at the time of making the contribution, that the contribution is intended to be a qualified contribution for purposes of section 25F. Such designation, once made, is irrevocable.

2. Are tax contributions refundable?

No. Tax contributions are non-refundable. Additionally, as a non-refundable credit, this credit claimed in a particular year cannot exceed the tax liability of the individual taxpayer for that year.

3. What is considered a cash contribution?

The term "cash" means physical currency, check, money order, electronic transfer (including, for example, by credit or debit card), after-tax payroll deduction, or other similar method, in each case all in U.S. dollars, but would not include any digital assets. Regarding digital wallets, the Treasury and the IRS are seeking public comments on the definition of qualified digital wallet and whether additional safe harbors for verification that scholarships are spent on qualified elementary and secondary education expenses should be included in the final regulations.

4. Can a donor donate more than $1,700 annually?

Yes, but the maximum tax credit amount the donor will receive is $1,700 annually ($3,400 for married couples filing jointly; $1,700 per person).

5. What happens to my unused tax credit?

Any unused credit may be carried forward for up to five years.

6. Is the awarded amount limited to $1,700?

No. The SGO determines the scholarship amount per student. Therefore, the amount of the award could be less or more than $1,700.

7. How will the SGO know that my donation is intended for the tax credit?

The donor is required to designate to the recipient SGO, at the time of making the contribution, that the contribution is intended to be a qualified contribution, which would require the SGO to deposit the contribution into the SGO's section 25F segregated account as part of the SGO's compliance with federal law.

8. Can I use my contribution to claim both the Federal Scholarship Tax Credit and a Section 170 charitable tax deduction for the exact same donation?

No. Any qualified contribution for which a credit is allowed under this federal tax credit may not be taken into account as a charitable contribution for purposes of section 170 (a tax deduction). A tax credit reduces your tax bill dollar-for-dollar (under section 25F, up to $1,700). A tax deduction (under Section 170) only reduces the amount of income you are taxed on. If you claim the $1,700 Federal Scholarship Tax Credit for your donation, you are legally forbidden from counting that same $1,700 as an itemized charitable deduction under Section 170. However, you may use the remaining funds for the purpose of section 170. For example, if you donate $2,000 to a qualified SGO with the intent to use it for the tax credit, $1,700 will be used for the tax credit and the remaining $300 may be deductible as a charitable contribution if it meets the requirements of section 170 and the regulations thereunder.

9. Can taxpayers receive both state tax credit and federal tax credit?

Yes, taxpayers can receive both a state tax credit and the federal tax credit for the same contribution, but the federal tax credit will be reduced dollar-for-dollar by the amount of the state tax credit received.

10. How will taxpayers document their contributions?

The IRS will provide instructions to the SGOs for creating a unique donor number in a uniform format to be used by all SGOs, for each donor who has designated at least one payment to the organization as a qualified contribution to the SGO during the calendar year. SGOs will send written acknowledgement to each donor with respect to qualified contributions made by such donor during the calendar year. Written acknowledgement will be sent no later than January 31st of the calendar year following the calendar year in which the donor made a qualified contribution. The donor may opt for electronic delivery of the written acknowledgement. The written acknowledgement will include: the organization's EIN; the total amount of contributions made by the donor to the organization during the calendar year that the donor designated as qualified contributions; the unique donor number provided to the donor; a statement as to whether the organization provided any goods or services in consideration for any qualified contributions made by the donor; and a description and good faith estimate of the value of any such goods or services.

11. If a donor donates to a multistate SGO, can they choose which state receives their donation?

Yes. If the SGO is a multistate SGO, the donor would be able to direct the recipient SGO to allocate the qualified contribution to the multistate SGO's segregated account for any one or more of the covered States on whose State SGO list the SGO appears. Once a qualified contribution has been deposited into an SGO's segregated account, the SGO must use the funds in accordance with the operational requirements to maintain its status as an SGO.

Education Scholarship Program Glossary

ECENC: Educational Credit for Exceptional Needs Children (ECENC): A South Carolina scholarship program that provides grants funded through tax-credit contributions to eligible students with exceptional needs who attend approved independent schools.

ESTF: Education Scholarship Trust Fund (ESTF): A South Carolina educational choice program administered by the South Carolina Department of Education.

ESA: Education Savings Account (ESA): A state-authorized account used for approved educational expenses.

EFTC: Education Funding Tax Credit (EFTC): A tax credit program supporting student scholarships and educational opportunities.

SGO: Scholarship Granting Organization (SGO): A nonprofit organization that awards scholarships to eligible students.

SFO: Scholarship Funding Organization (SFO): An organization that collects and distributes scholarship funds.

Eligible Expenses: Approved educational expenses such as tuition, curriculum, tutoring, therapies, technology, and transportation when permitted.

ESP (Education Service Provider): An approved person or organization that provides educational goods or services and receives scholarship payments.

Eligible Student: A student who meets program eligibility requirements.

Parent/Guardian: The individual authorized to manage a student's scholarship account.

Scholarship: The annual award amount available for approved educational expenses.

ClassWallet: The platform used to distribute scholarship funds and process payments.

Eligible School: A participating school approved to receive scholarship payments.

Curriculum: Instructional materials and educational content used for learning.

Educational Therapy: Specialized services such as speech, occupational, physical, ABA, or dyslexia therapies.

Renewal: The process of continuing participation in the program for a new school year.

Approved Provider: A vetted provider approved to serve participating students.

Stackable: A term used when a student or family is allowed to receive more than one scholarship, tax credit, grant, or educational funding program at the same time. Some programs are stackable and can be combined, while others require families to choose only one benefit.

Refundable Educational Credit for Exceptional Needs Children (RECENC): A South Carolina tax credit that helps families of eligible students with special needs pay for approved educational expenses, such as tuition, fees, textbooks, and transportation at eligible independent schools. Families may receive up to $11,000 per student or the actual cost of attendance, whichever is less. If the credit is greater than the taxes owed, the remaining amount is refunded. This program cannot be combined with ESTF; families must choose one or the other.

EFTC Study Committee Documents

Document	Link
Proviso 1.127	Proviso 1.127.pdf
EFTC Federal Regulations (Temporary)	2026-20264.pdf
EFTC Federal Regulations (Full)	2026-20277.pdf
McMaster Executive Order	SGO Executive Order
EFTC Fact Sheet	Fact Sheet: President Trump Delivers Affordable School Choice Options Through Education Freedom Tax Credit
EFTC FAQ	EFTC FAQ.pdf
Articles	Federal Scholarship Tax Credit Rules: What They Mean for States, Parents and Schools An Expert Explains How the Federal Scholarship Tax Credit Will Work
Educational Credit for Exceptional Needs Children (ECENC) FAQ	FAQs - Exceptional SC - Exceptional SC
ESTF FAQ	ESTF FAQ
Education Program Glossary	Glossary
Kentucky HB 1 (Permanent EFTC election each year). Agency: Secretary of State	CHAPTER 4 (HB 1, Osborne and others)
Kentucky SGO Application	Kentucky Declaration of SGO
America First Policy Institute	Every Dollar for Every Child Act - AFPI