



PARENT FAQ

Federal Scholarship Tax Credit Questions for Families

A practical guide for parents preparing to apply for scholarship support through EdGen. Final application rules will depend on federal law, state participation, IRS/Treasury guidance, and EdGen procedures.

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The simple version

Families do not apply to the IRS. Families apply through an SGO like EdGen. EdGen verifies eligibility, coordinates with participating schools, and awards scholarships based on program rules and available funding.

Quick answers

1 Program start

FSTC begins with taxable years ending after Dec. 31, 2026. Scholarships are expected to begin for the 2027 cycle.

2 Family income

Eligible students must be in households at or below 300% of area median gross income for the prior calendar year.

3 Public-school eligibility

The student must be eligible to enroll in a public elementary or secondary school.

4 State participation

A state must opt in and provide an SGO list to IRS before donors can support SGOs in that state.

5 No guarantee

Applying does not guarantee eligibility or a scholarship award.

6 Income verification

EdGen expects to verify annual household income and family size, possibly through taxpayer-authorized IVES or similar processes.

This FAQ is informational only. It is not legal, tax, or financial advice. Final eligibility, timing, documentation, and award rules may change based on Treasury/IRS guidance, state participation, SGO listing, school participation, available funding, and EdGen policies.



Parent FAQ: Eligibility and Applications

1 What is the Federal Scholarship Tax Credit?

FSTC is a federal tax credit program that encourages cash contributions to Scholarship Granting Organizations. SGOs then provide scholarships for eligible K-12 students to use for qualified elementary and secondary education expenses.

2 Do families apply through the IRS?

No. Families apply through a Scholarship Granting Organization like EdGen. The IRS role is tied to taxpayer credits and the state/SGO listing process, not family application review.

3 Who may be an eligible student?

Under Section 25F, an eligible student must be in a household with income not greater than 300% of area median gross income for the prior calendar year and must be eligible to enroll in a public elementary or secondary school.

4 Does my child have to currently attend public school?

The statute refers to eligibility to enroll in a public elementary or secondary school. It does not require that the student actually attend public school. Final application rules may clarify documentation.

5 What grade levels will EdGen ask about?

EdGen expects to collect the child's current school year grade and the grade for the following school year. The current planning model is Nursery-11 for 2026-2027 and Kindergarten-12 for 2027-2028.

6 What if my child attends school in another state?

This is one of the major items where Treasury/IRS guidance may be needed. EdGen expects to ask for parent residence state, student residence state, and school state so applications can be reviewed once cross-state rules are clarified.

7 Does applying guarantee a scholarship?

No. Applications may be denied or waitlisted. Awards depend on eligibility, available funding, school participation, priority rules, donor funding, and final federal and state program rules.

8 Can a donor designate money for my child?

No. Section 25F says an SGO may not earmark or set aside contributions for scholarships on behalf of any particular student. School recommendations/designations must comply with final rules and EdGen policies.



Parent FAQ: Documents and Verification

9 What documents should parents prepare?

Expect to provide parent/guardian information, student information, household members, school attending next year, grade, residence information, prior-year income information, and school enrollment/cost details. Additional documents may be requested.

11 What is IVES?

IVES is the IRS Income Verification Express Service. IRS says it allows a taxpayer to authorize a third party to access tax records, and that the IRS provides records to a third party only with taxpayer consent.

13 What expenses can scholarships cover?

Section 25F ties qualified scholarship expenses to qualified elementary and secondary education expenses described in Section 530(b)(3)(A). EdGen will publish a final eligible expense list after guidance is reviewed.

15 When should families apply?

EdGen expects to collect preliminary interest before final application windows open. Official application timing will depend on final rules, state participation, SGO listing, school onboarding, and system readiness.

10 How will income be verified?

Section 25F requires SGOs to verify annual household income and family size. EdGen may use IRS tax transcript verification through an authorized IVES process with taxpayer consent, or another permitted verification process.

12 Will I need to upload a tax return?

Possibly. EdGen may request tax returns, IRS transcripts, W-2s, 1099s, or other proof depending on final rules and whether IVES or another verification process is available and appropriate.

14 How will priority work?

Section 25F requires SGOs to prioritize students who received a scholarship in the previous school year, followed by eligible students with a sibling who was awarded a scholarship from the organization.

16 What should I do now?

Join the EdGen update list, confirm your school plans for 2027-2028, gather basic income and household information, and watch for official application instructions from EdGen and your school.

Parent readiness checklist

Have ready: parent contact info, student legal name and DOB, current and next-year grade, school attending next year, residence state, household members, prior-year income information, and consent for income verification if requested.

Application Prep for Parents



Apply when ready.

EdGen will publish official application instructions after final program rules and state participation details are reviewed.

Information EdGen may request

- Parent/guardian names and contact information
- Student names, dates of birth, and grades
- Current school year grade and applying school year grade
- School attending next year and school location
- Home address and state of residence
- Household size and household member information
- Prior-year income information and documentation
- Authorization for income verification, if requested

Important parent reminders

- Do not assume eligibility until EdGen confirms it.
- Cross-state cases may need Treasury/IRS clarification.
- Applications may require school enrollment and tuition verification.
- Awards are subject to available funds and priority rules.
- Keep copies of all submitted documents.
- Use only official EdGen links and secure portals.
- Never send sensitive tax documents by unsecured email.
- Check your email often after applying.

State participation matters

IRS states that a state or the District of Columbia must choose to participate and provide a list of SGOs to the IRS before an individual taxpayer can donate to an SGO within that state and claim the FSTC. EdGen will maintain state-specific information as official lists are updated.

This Parent FAQ is informational only. It does not create eligibility, guarantee an award, or provide legal, tax, or financial advice. Final rules may change. Families should rely on official EdGen instructions when applications open.