



FOR MISSISSIPPI FAMILIES, TAXPAYERS & SCHOOLS

The Federal Scholarship Tax Credit — A Mississippi Guide

A RESOURCE FROM THE MISSISSIPPI CENTER FOR PUBLIC POLICY

Something historic is happening in American education. A new federal law lets everyday taxpayers redirect a slice of what they would otherwise hand the IRS — up to \$1,700 — to fund a child’s K–12 schooling, at zero cost to themselves. You give to a **Scholarship Granting Organization (SGO)** and claim it straight back on your tax return as a dollar-for-dollar credit. Created by the One Big Beautiful Bill Act (signed July 4, 2025; IRC §25F); Mississippi has opted in.

• **Mississippi opted in on January 19, 2026.** The program reaches our state beginning with the 2027 tax year.

\$1,700
Dollar-for-dollar federal credit, per taxpayer, each year (\$3,400 per couple)

2027
First tax year the credit is available

300%
Scholarships go to families up to 300% of area median income

HOW THE MONEY FLOWS

1
You opt in
Redirect up to \$1,700 of the federal tax you’d otherwise owe.

2
You choose the SGO
You pick which approved Mississippi SGO receives it — not the IRS.

3
SGO awards scholarships
From pooled funds, to eligible students — paid to their schools.

4
A child learns
The scholarship covers tuition, tutoring, fees & more.

THE BASICS

A credit, not a deduction.

The full donation comes straight off your federal tax bill, up to \$1,700. Non-refundable, but unused credit carries forward up to 5 years.

No double-dipping.

You can’t also claim a charitable deduction or state credit for the same gift. Cash only. Permanent, with no national cap.

What an SGO is.

A 501(c)(3) operating in one state that pools contributions and awards scholarships to 10+ students (not all at one school), spending ≥90% of income on scholarships.

No earmarking.

You can’t direct your contribution to a particular student, including your own child — the SGO awards scholarships from its pool on its own criteria.

Who qualifies.

K–12 students in households up to 300% of area median income — the large majority of Mississippi families. Stackable with state programs.

Why states opt in.

The credit works only where the governor elects to participate and sends the IRS a list of approved SGOs. **Mississippi has.**

What’s next here.

The Governor’s office is designating Mississippi’s SGOs over the coming months; the IRS is finalizing rules through 2026.

KEY DATES

✓ JUL 2025	Signed into law. OBBBA creates the federal Scholarship Tax Credit (§25F).
✓ JAN 2026	States may opt in via IRS Advance Election (Form 15714) for 2027.
✓ JAN 19 2026	Mississippi opts in (Governor Reeves).
▶ THROUGH 2026	Rules & SGO designation. IRS finalizes regulations; the state designates and submits its SGO list.
JAN 1 2027	The credit goes live. Donate and claim it on your 2027 federal return.
2027–28	Scholarships flow to eligible students for the school year.

DIRECTORY — COMING SOON

No SGOs are approved yet. We’re tracking the state’s designations and will list every approved Mississippi SGO — with links to give or apply — the moment the list is published. Parents and prospective SGOs can sign up to be notified.

OFFICIAL SOURCES

IRS — Federal Scholarship Tax Credit (§25F) & Form 15714
Office of Gov. Tate Reeves — opt-in announcement (Jan 19, 2026)
EdChoice — Federal Tax Credit for Scholarships
Congressional Research Service — P.L. 119-21

MISSISSIPPI CENTER FOR PUBLIC POLICY Full guide, donor calculator & live SGO directory: comparemyschool.com/sgos · mcpolicy.org

For general information only — not tax or legal advice. The Mississippi Center for Public Policy is not a tax advisor. Reflects the law and IRS guidance as of June 2026; implementing rules are still being finalized. Consult a qualified professional about your situation.