Get Ready to Help Launch Futures!

All about the Federal Scholarship Tax Credit

The new Federal Scholarship Tax Credit (FSTC)[1] makes it possible to direct up to $1,700 (or $3,400 for married couples) of what you would otherwise pay the IRS to instead fund a scholarship.

1. **Determine if you typically pay federal individual income taxes.**[2]

2. **Make a one-time or recurring donation to an approved SGO on or after January 1st. For example, if you set up a weekly recurring gift of $33 beginning January 1st, your annual donation to CSF will total $1,700!**

3. **Include your SGO tax receipt with your 2027 federal tax return, typically filed in 2028.**

4. **Subtract the amount of your donation – dollar for dollar – from the amount you would otherwise pay the IRS, including through your payroll withholdings. You can take this credit regardless of whether you itemize.**[3]

5. **Students receive life-changing scholarships to pay for the education that best meets their needs!**

Note this is not meant to provide tax or legal advice. Please consult your accountant or tax advisor.

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[1] Internal Revenue Code Section 25F

[2] IRS Form 1020, Line 24, lists your total tax liability before payments or credits. This is different from the amount you pay or are refunded when you file your tax return.

[3] A tax credit of 100% is better than a traditional charitable deduction, which typically allows those who itemize to deduct a percentage of their donation from their taxes.