



New Federal Scholarship Tax Credit: Family FAQ

An exciting new way to support educational access beginning in 2027

What's the news?

Friends of Spruce Tree Montessori has received Alaska state approval as a Scholarship Granting Organization (SGO) under a new Federal Scholarship Tax Credit Program scheduled to begin January 1, 2027. Federal rules and implementation details are still being finalized.

What does Friends already do?

Since 2012, Friends has raised funds to provide need-based scholarships. Our organization currently averages a total awards budget of approximately \$45,000 in scholarship assistance to between 5 – 8 children annually. This year we provided scholarships to 11 students amounting to \$57,000.

How does the new tax credit work?

Eligible individual taxpayers who contribute to a qualified SGO like the Friends of Spruce Tree Montessori may claim a federal income tax credit of up to \$1,700 per taxpayer per year (potentially \$3,400 for married couples filing jointly), subject to applicable rules and tax liability. Unlike a deduction, **a credit reduces federal income tax dollar for dollar.**

Can I donate? What about businesses?

Individuals—including Spruce Tree parents, staff, relatives, and friends—may contribute if they wish. Businesses can continue making traditional charitable gifts, but the new federal credit is for eligible individual taxpayers. Donations are always voluntary.

Who receives scholarships?

Eligible students must meet federal requirements, including a household-income threshold (currently less than 300% of the local median gross income). Scholarships are awarded to the child/family for use toward eligible expenses (like tuition, tutoring, special educational services, and materials) with appropriate accountability measures in place to meet Federal reporting requirements. Donors may choose an eligible SGO but cannot select an individual student to receive their gift.

Is this a school voucher program?

No—this is not a state-funded voucher. This program offers a federal income tax credit for private donations. Eligible educational expenses can benefit public- and private-school students, K-12. State Voucher Programs use state education budget funds; these scholarships are provided through individual donations. **The money does not go to the State or to the Feds, it stays right here in Alaska benefiting Alaskan children.**

Does it reduce Alaska public school funding?

The credit does not withdraw money from Alaska's state education budget or reduce the state's BSA formula. Alaska receives federal funding for education through congressional appropriations for programs like Title I, IDEA (special education), and other grants with complex funding formulas. Like other federal tax credits, it reduces federal tax revenue; any effect on future federal education appropriations would depend on separate Congressionally approved policy decisions. This tax credit has the same effect as any other federal tax credit, like those for energy-efficient home improvements, electric vehicles, children and dependents, higher education expenses, and business investment and research.

Why does it matter to Spruce Tree?

Additional scholarship resources could help more families choose Montessori education, improve retention of elementary students (K-5), and strengthen our multi-age classroom communities. All students benefit with a larger cohort of students in each elementary grade.

What happens next?

Friends is preparing for federal compliance and the 2027 launch. We will share verified eligibility details, donation instructions, and scholarship application information when available. Please wait for official guidance before making a donation intended to qualify for the new credit.

More scholarships. More opportunities. A stronger Spruce Tree Montessori community.

Questions? Contact Spruce Tree Montessori School at 907-479-8733 or email Sabrina@sprucetreemontessori.com.