

H.770

Introduced by Representatives Conlon of Cornwall and Kornheiser of  
Brattleboro

Referred to Committee on

Date:

Subject: Taxation; income tax; federal tax credit; scholarships; executive  
authority

Statement of purpose of bill as introduced: This bill proposes to preclude  
Vermont's participation in the federal tax credit program for contributions to  
scholarship granting organizations.

An act relating to opting out of the federal tax credit program for  
contributions to scholarship granting organizations

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. FINDINGS

The General Assembly finds:

(1) Section 25F of the Internal Revenue Code creates a new federal  
program to subsidize scholarships for expenses at public and private schools.

(2) Under the terms of the statute, states may voluntarily elect to  
participate in the program, or they may decline to participate.

1           (3) The decision concerning whether or not to participate in the program  
2           is to be made by “the Governor of the State or by such other individual,  
3           agency, or entity as is designated under State law to make such elections on  
4           behalf of the State with respect to Federal tax benefits.”

5           Sec. 2. 2 V.S.A. § 24 is added to read:

6           § 24. DESIGNATED ENTITY; PARTICIPATION IN FEDERAL TAX

7           CREDIT PROGRAM

8           (a) In accordance with 26 U.S.C. § 25F(g)(1)(B), the General Assembly  
9           designates itself as the sole entity to make an election under 26 U.S.C. § 25F.

10          (b) Vermont shall not participate in the federal tax credit program for  
11          contributions to scholarship granting organizations under 26 U.S.C. § 25F.

12          (c) Any election to the contrary made by another State official or entity is  
13          void and shall have no effect.

14          Sec. 3. EFFECTIVE DATE

15          This act shall take effect on July 1, 2026.