

1 S.161  
2 Introduced by Senator Bongartz  
3 Referred to Committee on  
4 Date:  
5 Subject: Taxation; income tax; federal tax credit; scholarships; executive  
6 authority

7 Statement of purpose of bill as introduced: This bill proposes to create a  
8 structure for the Governor to make a list of scholarship granting organizations  
9 so that the associated federal tax credit for contributions to such organizations  
10 is available for Vermont taxpayers.

11 An act relating to the Governor's list of scholarship granting organizations

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

13 Sec. 1. 3 V.S.A. § 24 is added to read:

## § 24. GOVERNOR'S LIST OF SCHOLARSHIP GRANTING

1       that an organization listed in the previous year will be listed in the subsequent  
2       year unless the Governor finds that the organization has failed to meet the  
3       requirements of this section.

4           (b) An organization shall not be listed unless the organization meets the  
5       following criteria:

6            (1) it qualifies as a “scholarship granting organization” as defined under  
7       26 U.S.C. § 25F(c)(5);

8            (2) it is a nonprofit organization with the core mission of providing  
9       educational opportunities to economically underprivileged students through  
10       afterschool, summer tutoring, and similar programs; and

11           (3) all grants and scholarships provided by the organization are to  
12       students attending a public school, as defined in 16 V.S.A. § 11(7), or an  
13       independent school, as defined in 16 V.S.A. § 11(8), that is also capable of  
14       receiving public tuition.

15           (c) In the Governor’s discretion, the Governor may audit an organization  
16       seeking placement on the list to ensure the organization meets all the  
17       requirements for placement as provided by this section and applicable federal  
18       law. The Governor shall not list an organization that the Governor knows is  
19       not in compliance with the requirements of this section or 26 U.S.C.  
20       § 25F(c)(5).

1 Sec. 2. EFFECTIVE DATE

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