

S.161

Introduced by Senator Bongartz

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 create a  
structure for the Governor to make a list of scholarship granting organizations  
so that the associated federal tax credit for contributions to such organizations  
is available for Vermont taxpayers.

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

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

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

§ 24. GOVERNOR'S LIST OF SCHOLARSHIP GRANTING

ORGANIZATIONS

(a) Annually on December 1, the Governor, or designee, may elect to  
provide a list of organizations that satisfy the conditions of subsection (b) of  
this section to the U.S. Secretary of the Treasury for purposes of making the  
federal qualified elementary and secondary education scholarship tax credit  
available for Vermont taxpayers under 26 U.S.C. § 25F. It shall be presumed

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 after school, 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.