



TaxNewsFlash

Exempt Organizations

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Rev. Proc. 2026-6: Advance election for new tax credit for individual contributions to scholarship granting organizations

The IRS today released [Rev. Proc. 2026-6](#), allowing states (including the District of Columbia) to make an advance election to participate in a new tax credit for calendar year 2027. This credit, established under Pub. L. No. 119-21 (known as the “One Big Beautiful Bill Act” (OBBBA)), is for contributions to scholarship granting organizations (SGOs) serving elementary and secondary school students. Eligible students are primary and secondary school students from families earning less than 300% of the area median gross income. SGOs must be tax-exempt charitable organizations described in section 501(c)(3), be on a list of eligible organizations submitted by a participating state, and meet other requirements set forth in section 25F.

The revenue procedure allows states to make an advance election for 2027 before providing the IRS with its list of SGOs, giving SGOs additional preparation time. States must submit [Form 15714, Advance Election to Participate Under Section 25F for 2027](#), on or after January 1, 2026, and before the final date specified in future guidance. Notice 2025-70 provides additional guidance and requests comments on state SGO lists and certifications. [Read TaxNewsFlash](#)

Read the IRS release—[IR-2025-121](#) (December 12, 2025)

Background

Starting January 1, 2027, individual taxpayers can claim a nonrefundable federal tax credit for cash contributions to SGOs. The credit is limited to \$1,700 per taxpayer. For contributions to qualify, the SGO must be listed in a covered state’s list for the applicable year. A covered state voluntarily elects to participate and identifies SGOs.

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