

For Immediate Release

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National Coalition for Public Education Applauds IRS Final Rule

Today, the IRS released a final rule that will curtail a tax loophole that allowed taxpayers to turn a profit by financially supporting private school voucher programs. Existing law allowed taxpayers to receive a federal charitable deduction for “donating” to scholarship organizations that provide vouchers to students – even if the taxpayer has already been fully reimbursed by a state or local tax credit.

The National Coalition for Public Education (NCPE) issued the following statement:

“We applaud the IRS for taking a major step toward closing down the tax shelter that allowed taxpayers to double dip and financially benefit from ‘donations’ that fund private school voucher programs. Closing this loophole will prevent the misuse of the federal charitable tax deduction, as well as stop the federal subsidy for private schools that comes at the expense of public schools.

“By shutting down this tax shelter, the administration will weaken the unique incentive for taxpayers to seek out and support state tax credit voucher programs that privilege these programs over all other types of charitable organizations. The IRS is right to close this loophole.”

Founded in 1978, the National Coalition for Public Education supports public schools and opposes the funneling of public money to private and religious schools through vouchers, tuition tax credits, education savings accounts, and portability.