

## School Choice – Tax Credits & Vouchers

Both educational vouchers and corporate tax credit scholarships provide parents with money to pay for their child’s private education. The main difference between the two can be found by answering one important question:

*Who pays for it?*

### Vouchers

Educational vouchers are paid for by state collected taxes. In a voucher program, parents receive a voucher directly from the state they then use to pay for part or all of their child’s education.

### Tax Credits

As you can see in the chart below, tax credit scholarships are funded by corporate donations to nonprofit scholarship funds. A tax credit scholarship program incentivizes corporations to donate to non-profit organizations that offer scholarships for K-12 education. Corporations who make these donations receive a break in their yearly franchise or insurance taxes. The nonprofit is then in charge of dispersing the corporate donations, in the form of scholarships, for families to cover the cost of attending an accredited private school.

**Corporation Donates & Gets Tax Credit**



**Non-Profit Awards on Financial Need**



**Family Uses Scholarship for Day School Education**



Jewish families, schools and communities stand to benefit greatly from this program if it becomes a reality. Please be on the watch for more legislative updates and advocacy action alerts.

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