STATE OF NEW YORK

11639

IN ASSEMBLY

July 29, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Chang) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to directing the commissioner of taxation and finance to help entities elect to participate in the federal tax credit for elementary and secondary scholarships

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Legislative intent. This legislation is intended to elect participation by the State of New York in the federal Educational Choice for Children Act of 2025. The federal legislation would help all students attending public and non-public schools with a household income not higher than 300% of area gross median income to cover educational expenses including: fees, tutoring, transportation, technologies and other expenses. Under the federal law a tax credit of up to $1,700 is available for a taxpayer that donates to a scholarship granting organization, which funds would be directed to students in states that have opted into the program. Without opting into the program children in New York would be prohibited from receiving such scholarship funds, which would otherwise be available to children in other states.

The legislature pursuant to section 1 of Article III of the New York State Constitution voluntarily elects that the State of New York participate in the federal tax credit program established under 26 USC § 25 F for taxpayers who make qualified contributions to scholarship granting organizations within this state and designate the Commissioner of the Department of Taxation and Finance to identify such scholarship granting organizations located in this state.

§ 2. Section 171 of the tax law is amended by adding a new subdivision twenty-ninth to read as follows:

Twenty-ninth. The commissioner shall annually submit to the United States secretary of the treasury and publish on the department's website a list of all scholarship granting organizations located in this state that meet the requirements of 26 USC § 25F and any regulations or applicable guidance issued by the United States secretary of the treasury to ensure eligibility to participate beginning in taxable years after

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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December thirty-first, two thousand twenty-six. The commissioner shall establish rules or regulations necessary for an entity to demonstrate that it qualifies as a scholarship granting organization pursuant to 26 USC § 25F. The commissioner shall inform the public of this scholarship granting program and the benefits of such program.

§ 3. This act shall take effect immediately.