Redirect Dollars. Change Lives.

ARCHDIOCESE OF DENVER
CATHOLIC SCHOOLS

Redirect Your Taxes. Strengthen Our School.

What is the Education Freedom Tax Credit (EFTC)?

Beginning in January 2027, a new federal tax credit will empower families to redirect up to $1,700 of their tax liability to fund scholarships that will provide tuition assistance to K-12 students attending Catholic schools. Donors receive a dollar-for-dollar federal tax credit (up to $1,700) when they donate to a Scholarship Granting Organization (SGO) such as ACE or Seeds of Hope. Donations can be directed specifically to OUR SCHOOL making this a powerful way to strengthen our school's sustainability for FREE.

How it Works for the Taxpayer/Donor:

1. Taxpayer makes contribution to SGO
2. Taxpayer receives required documentation to claim the credit
3. Tax return submitted; credit reduces tax liability by the amount contributed in Step 1
4. **Scholarships for our students**
   Happy Taxpayer

What it means for our school:

There's never been an opportunity like this in Colorado history. This initiative redirects federal tax dollars to expand school choice for Colorado families—for FREE. It can give more children the gift of Catholic education, forming the whole person: body, mind and soul.

IMPACT IF JUST 100 SUPPORTERS PARTICIPATE

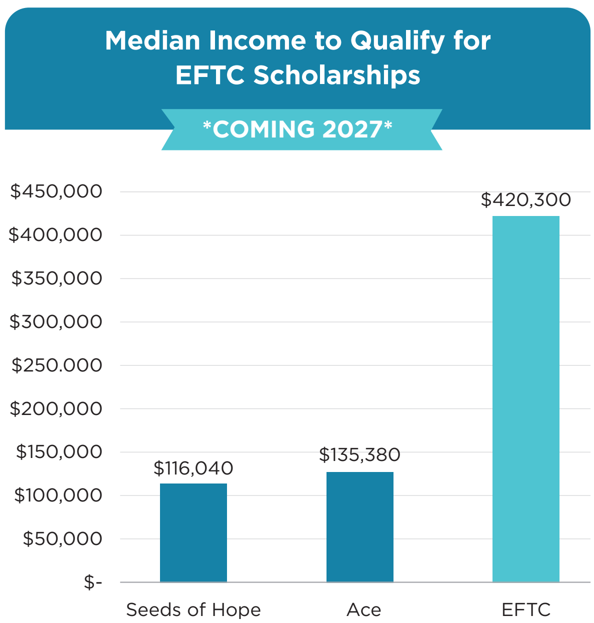
$170,000 for student scholarships

Learn more by reading the FAQs and stay tuned for further information about how to make a qualified contribution and how to apply for an EFTC Scholarship.

How does the EFTC help our school?

The Education Freedom Tax Credit helps our school by increasing access to scholarships for families, making it easier for students to attend and remain enrolled in our programs.

Who qualifies to receive an EFTC scholarship?



Seeds of Hope and Ace scholarship income limits for family of 5 for 2026/2027 school year

What can the scholarship money be used for?

The scholarship money can help reduce the cost of tuition, fees, books, supplies, tutoring, among other qualifying educational expenses. We anticipate additional guidance from the U.S. Treasury regarding eligible expenses to be forthcoming.

How do I give to a qualifying SGO?

Beginning in January 2027, donors can make their donations electronically online to either of our partner SGOs: ACE Scholarships or Seeds of Hope. They will have options to give weekly, bi-weekly, monthly or a one-time gift. Please stay tuned for further details!

What is the maximum amount I can donate to the SGO?

You are free to donate as much or as little as your budget allows - every contribution helps support our students!

But, keep in mind the maximum tax credit you can claim will be limited to $1,700 per tax return. Note: Contributors cannot claim both the credit and a charitable deduction for the same donation.

What is the difference between a tax credit and a tax deduction?

Unlike a tax deduction, a tax credit directly reduces the amount of federal income tax owed.

A $1,700 tax credit reduces your tax bill by $1,700. This means that if you owed $1,700 in taxes, and made a $1,700 contribution, your tax bill would be reduced to $0.

Whereas a $1,700 tax deduction reduces your taxable income by $1,700, so the actual tax savings depends on your tax rate. For someone in a 22% tax bracket, that deduction would save about $374 in taxes. Tax deductions are not as powerful as tax credits.

How do I know if I can use the full $1,700 tax credit?

A good place to start is your most recent federal tax return. IRS Form 1040, Line 16 ("Tax") shows your federal income tax liability before credits are applied. If your tax liability is at least $1,700, a qualified $1,700 contribution may reduce your federal tax bill by the full $1,700. If your tax liability is lower, you can still make a $1,700 contribution, and any unused credit may be carried forward for up to five years.

Can out-of-state residents donate and receive this Federal Tax Credit?

Yes. The federal credit applies regardless of which state you live in, as long as the donation is made to an SGO in a state that has opted into the program. Colorado is opted into the program for the 2027 tax year.

Can parents contribute to the EFTC, receive a federal tax credit, and direct their gift to provide a scholarship for their own children?

No. Parents cannot use EFTC donations to benefit their own children. Donations must go through an approved Scholarship Granting Organization (ACE Scholarships or Seeds of Hope), which determines student eligibility and awards scholarships. Contributions designated for our school support scholarships for eligible students at our school, ensuring fairness, transparency, and compliance with federal law.

To learn more about the Education Freedom Tax Credit, visit:

ed.gov/media/document/education-freedom-tax-credit-fact-sheet-113147.pdf

ACE scholarships

acescholarships.org/eftc

ACE Scholarships advances K–12 educational freedom by helping lower-income families access the schools of their choice. Since 2000, ACE has awarded 121,000+ scholarships worth more than $395 million nationwide.

SEEDS OF HOPE
CULTIVATING MINDS AND HEARTS FOR CHRIST

seedsofhopedenver.org/ftcs

Since 1996, Seeds of Hope has awarded 28,000+ scholarships and over $52 million in tuition assistance, helping families choose a Catholic education that nurtures students' faith, character, academic success, and lifelong growth.