MARANATHA CHRISTIAN ACADEMY

Education Freedom Tax Credit FAQ

1. What is the Education Freedom Tax Credit (EFTC)?

The EFTC is an exciting new federal program launching on January 1, 2027. It allows taxpayers to receive dollar-for-dollar federal income tax credit for donations up to $1,700 for individuals and $3,400 for married couples filing jointly. These donations are made to approved Scholarship Granting Organizations (SGOs).

If both spouses are participating, each spouse donates $1,700 vs one person doing $3,400.

2. What is an SGO?

An SGO is a not-for-profit Scholarship Granting Organization established to empower parents in the education of their children. These organizations accept donations and serve as a throughput for scholarships, helping students access the education their parents feel best serves them.

There are several SGOs to choose from. MCA will primarily use ACE Scholarships. Other examples of SGOs include Renewanation, American Federation for Children with ACSI, and The Christian Education Network.

3. Can we donate $3,400 with a single donation?

No. For a $3,400 donation there must be two donations within a single household. Each donation may be up to $1,700. One individual taxpayer is limited to tax credit of $1,700.

4. Where does the money actually go?

When you donate, your funds go directly to a qualified not-for-profit Scholarship Granting Organization (SGO). The SGO then distributes those funds to schools as K-12 tuition scholarships to eligible students within eligible schools.

5. Is this just a tax deduction?

No, it is a non-refundable, dollar-for-dollar federal tax credit. A tax credit is generally much more valuable than a deduction because it directly reduces your total federal tax bill, rather than just lowering your taxable income.

After donation, the SGO will provide a tax credit receipt to offset Federal Tax Liability.

6. Can I pledge my donation specifically for Maranatha Christian Academy?

Yes. You may donate in the name of a single school.

7. Can I pledge my donation to a specific student?

No. Federal rules do not allow donors to earmark contributions for one individual student.

8. Are these scholarships stackable with other aid?

Yes! The federal EFTC scholarships are fully stackable with other awards scholarships such as standard ACE Scholarships, MCA Financial Aid Scholarship, Kansas State Scholarships, Pastoral Scholarships, and others.

By combining multiple sources of financial support, attending Maranatha Christian Academy becomes significantly more affordable for many families. You can have multiple scholarships applied to one child.

9. Is it possible for MCA tuition to be free with multiple scholarships?

No. While we offer multiple scholarship opportunities, we do not provide full tuition coverage. We believe that a shared financial commitment from every family fosters a strong sense of stewardship, ownership, and unity within our school community.

10. Who qualifies for a scholarship?

Scholarship eligibility is determined by evaluating total family income alongside any special circumstances.

How can I donate?

Commitments will open no later than November 16th, please scan the QR code below or go to mca-eagles.org starting November 1st.

Actual donations may be made starting January 1, 2027. The donation portal will stay open all year.

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