

## The GOP Tax Plan Encourages Privatization of Our Nation's Schools

Instead of investing public funds to improve public education, the GOP tax plan would offer families two new incentives to send their children to private school.

### The Amendments

*The Hatch Amendment (Amendment #4):* This amendment would allow parents who already send their child to a private religious school to deduct 25% of the cost of their tuition from their federal tax bill as long as the school guaranteed that they spent at least 30% of the school day on qualified religious instruction (meaning tenets, doctrine, beliefs or religion of a type not offered in public school curricula provided by a teacher/instructor who is certified as having significant post-secondary religious studies).

*The Scott Amendment (Amendment #3):* This amendment would create a K12 tuition tax credit for companies and individuals to support the private education of low income and middle-class students.

### General Talking Points on Vouchers

- Private school vouchers undermine public schools by diverting desperately needed resources away from the public school system, which accepts all students, to fund the education of a few, select voucher students. Given the fiscal constraints at the federal, state and local level we simply cannot afford to fund two different education systems—public and private—on our taxpayers' dime.
- Private school vouchers do not save taxpayer money. In voucher programs, the public schools from which students leave for private voucher schools are spread throughout a school district. The reduction in students from each public school, therefore, is usually negligible and does not decrease operating costs of those public schools. That is one of the reasons why some voucher programs have resulted in multi-million dollar deficits and tax increases.
- Private school vouchers do not improve academic achievement. Repeated studies of voucher programs across the country show that vouchers do not result in better test scores for students.
- Private school vouchers do not lead to improvements in public schools. There are many, proven ways to improve public schools such as reducing class sizes, offering a well-rounded curriculum and increasing parental engagement. Resourcing our neighborhood public schools so that students have inviting classrooms, well trained teachers, and support services such as health care, nutrition and after-school programs will ensure our children can compete in the global economy.
- Private school vouchers do not offer real choice. Vouchers give a choice to private schools, rather than parents and students. Voucher programs are governed by different laws in different states, but most allow private schools to accept taxpayer dollars but still reject students with vouchers for a variety of reasons, ranging from disability to ability to pay. And, even with vouchers, most parents still would not have the money to pay for private schools.

## Talking Points on the Hatch Amendment

- This voucher-like scheme is just another step toward privatizing our education system by providing incentives to families through a tax break to send their children to private religious schools.
- While parents are free to educate their child in any school environment, taxpayers cannot be expected to privilege one educational setting over another particularly when tax incentives are directed to religious private schools. Because this legislation promotes the privatization of education funding and the diversion of resources to private schools, we oppose this legislation.
- The overwhelming majority of families that send their children to private school would be eligible for this tax deduction. Because eighty-percent of the private schools in America are sectarian, most parents who send their children to a private school—regardless of their family's wealth—will receive a federally subsidized discount on tuition to private schools through this amendment.
- The government should not compel any citizen to furnish funds in support of a religion with which he or she disagrees, or even a religion with which he or she does agree. Parents certainly may choose a religious education for their children, but they should not be incentivized by tax policy to do so.
- The Hatch Amendment provides a tax deduction for tuition at religious schools but not secular schools. This special preference and benefit for religious education violates the United States Constitution and basic principles of religious freedom.
- The Hatch Amendment requires that 30% of the school day must be spent on religious education. This would require the IRS to investigate the school and determine what is and is not religious education. This would create unwanted entanglement and improper religious judgments by the IRS.

## Talking Points on Scott Amendment

- Tuition tax credits are a backdoor voucher scheme. They provide individuals or corporations a tax credit in exchange for giving money to an intermediary organization, often called a scholarship granting organization (SGO). The SGO receives the donations and then writes a check to be used for tuition at a private school. In short, rather than collecting taxes and then giving a portion to a private school, like a voucher, the government forgoes those tax dollars and redirects them to private schools.
- State tuition tax credit programs have proven to be profitable for wealthy taxpayers. Recent research has shown that some donors to SGOs are turning a profit by claiming state tax credits and federal tax deductions on the same "donation," thereby making a mockery of the concept of charitable giving.
- Federal tax credit schemes that would create a dollar-for-dollar credit undercut traditional charitable giving priorities by privileging SGOs above traditional charities. When taxpayers donate to most tax exempt charities, such as homeless shelters and veterans'

support organizations, they receive a federal tax deduction that could be worth between 10 and 40 cents on each dollar donated, depending on the donor's tax bracket. In effect, this amendment provides SGOs with a tax advantage that is 2-3 times more generous than what is afforded to other charities.

- Like vouchers, tuition tax credits do not improve academic achievement. There is no evidence that backdoor voucher programs improve education. Indeed, under most tax credit programs, private schools are not required to be accredited, they can forego state testing requirements, and they are not required to report information about their voucher students. For example, in Pennsylvania, private schools that enroll students under a state tax-credit voucher program are not required to provide information on student achievement, testing, or voucher recipient demographics, and state agencies are not allowed to request information on student achievement.
- Students who accept vouchers lose important rights and protections. Students attending private schools under these programs lose rights such as those in Title VI, Title IX, the Individuals with Disabilities Education Act, Title II of the Americans with Disabilities Act, and the Every Student Succeeds Act. They are also stripped of the First Amendment, due process, and other constitutional and statutory rights offered to them in public schools.
- Tuition tax credits do not improve opportunities for students from low-income families. Generally, the families most likely to use a backdoor voucher are the ones who could already afford to send their kids to private schools, while the poorest students are left behind. A 2003 study of Arizona's tax credit program found that it contributed to increased economic stratification in the school system because "the state's wealthiest students [were] likely receiving the most of the tuition tax credit money."

See our NCPE coalition paper with all our talking points on tuition tax credits

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