



The state of Ohio offers a state income tax credit for contributions to Scholarship Granting Organizations (SGOs), which are charitable organizations certified by the state to provide scholarships to students attending private schools. Taxpayers who donate to an Ohio SGO can claim a non-refundable credit against their Ohio state income tax liability.

The credit is equal to the lesser of the amount contributed or \$750 per taxpayer (\$1,500 for married couples filing jointly, provided each spouse makes a separate \$750 donation). The credit cannot exceed your Ohio tax liability before other credits and is non-refundable, meaning it reduces your tax liability dollar for dollar. It cannot generate a refund on its own, but depending on your withholdings, other credits, and estimated payments, it may generate a larger refund than normal.

To get an idea of how much credit you may be able to claim, review your Ohio Form IT 1040:

- Line 8c: Shows your total tax liability.
- Line 9: Where you report non-refundable credits, including the SGO credit.
- The SGO credit, combined with other non-refundable credits, cannot reduce your tax liability on Line 10 below zero.

You must obtain and retain an acknowledgment or receipt from the SGO confirming your donation and attach it to your tax return. If you do not include this documentation, the Ohio Department of Taxation will request it before processing your return.

For 2023 and beyond, contributions made up to the original tax filing deadline (typically April 15) are eligible for the credit, allowing you to finalize your return and then make a qualifying donation.

Additional notes:

- Receiving a refund last year does not affect your eligibility for this credit; eligibility is based on tax liability, not the amount due or refunded.
- For federal tax purposes, any portion of your SGO contribution not used for the Ohio credit may be deductible as a charitable contribution. For example, if you contribute \$3,000 as a single filer and claim a \$750 Ohio credit, the remaining \$2,250 may be deductible as a regular charitable contribution on your federal tax return.
- The credit applies only to Ohio state income tax, not to school district or municipal income taxes.

Consult a tax professional to determine how this credit applies to your specific situation.