

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 4297

To amend the Internal Revenue Code of 1986 to repeal the tax credit for contributions of individuals to scholarship granting organizations, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 15 (legislative day, APRIL 14), 2026

Mr. KELLY (for himself, Ms. HIRONO, Mr. SANDERS, Mr. REED, Mr. LUJÁN, Ms. DUCKWORTH, Mr. VAN HOLLEN, Mr. SCHIFF, Mr. MURPHY, Ms. WARREN, Ms. SMITH, Mr. BLUMENTHAL, Mr. MERKLEY, Mr. COONS, Mrs. SHAHEEN, Mr. MARKEY, Mr. WELCH, Ms. BLUNT ROCHESTER, Mr. KING, Mr. WYDEN, Mr. FETTERMAN, Mr. SCHUMER, Mr. KIM, Mr. BENNET, Mrs. GILLIBRAND, Mr. KAINE, Mr. DURBIN, Mr. HEINRICH, Mr. PADILLA, and Mr. BOOKER) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the tax credit for contributions of individuals to scholarship granting organizations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Keep Public Funds  
5 in Public Schools Act”.

1 **SEC. 2. REPEAL OF TAX CREDIT FOR CONTRIBUTIONS TO**  
2 **SCHOLARSHIP GRANTING ORGANIZATIONS.**

3 (a) **TAX CREDIT.—**

4 (1) **IN GENERAL.—**Subpart A of part IV of sub-  
5 chapter A of chapter 1 of the Internal Revenue Code  
6 of 1986 is amended by striking section 25F.

7 (2) **CONFORMING AMENDMENTS.—**

8 (A) Section 25(e)(1)(C) of such Code is  
9 amended by striking “25D, and 25F” and in-  
10 sserting “and 25D”.

11 (B) The table of sections for subpart A of  
12 part IV of subchapter A of chapter 1 of such  
13 Code is amended by striking the item relating  
14 to section 25F.

15 (b) **EXCLUSION FROM GROSS INCOME.—**

16 (1) **IN GENERAL.—**Part III of subchapter B of  
17 chapter 1 of the Internal Revenue Code of 1986 is  
18 amended by striking section 139K.

19 (2) **CONFORMING AMENDMENT.—**The table of  
20 sections for part III of subchapter B of chapter 1  
21 of such Code is amended by striking the item relat-  
22 ing to section 139K.

23 (c) **EFFECTIVE DATE.—**

24 (1) **IN GENERAL.—**Except as otherwise pro-  
25 vided in this subsection, the amendments made by

1       this section shall apply to taxable years ending after  
2       December 31, 2026.

3               (2) EXCLUSION FROM GROSS INCOME.—The  
4       amendments made by subsection (b) shall apply to  
5       amounts received after December 31, 2026, in tax-  
6       able years ending after such date.

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