



# Colorado's Economic Impact from the "Education Freedom Tax Credit" Provision in the One Big Beautiful Bill Act

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On July 4, 2025, through the One Big Beautiful Bill Act (OBBA), the federal government established a nationwide tax credit for contributions toward K-12 education – the Education Freedom Tax Credit. Taxpayers may receive a tax credit of up to \$1,700 each year for donations used to fund K-12-supporting scholarship-granting organizations (SGOs). These scholarships can support public schools, private school tuition, tutoring, transportation, instructional materials, and other costs.

27 states have opted into the program, including Colorado. The program will begin in 2027.

## THE EDUCATION FREEDOM TAX CREDIT IMPACTS:

### TO COLORADO'S STUDENTS



# \$3.3 BILLION

The Education Freedom Tax Credit will boost funds available for Colorado parents to choose the learning environment of their children by up to **\$3.3 billion**.

### TO COLORADO'S K-12 SCHOOLS



# \$657 MILLION

A 20% participation rate would generate **\$657 million** in a single year.



# 36,000

Up to **36,000** more students to be able to attend the school of their choice.

### TO COLORADO'S ECONOMY

Assuming an 80%/20% split between private and public education providers and a 10% participation rate, the economic impact includes:

ANNUALLY:



# 8,000 MORE JOBS

BETWEEN 2027 AND 2031:

# \$5.2B MORE TO CO GDP

# \$3.7B MORE IN PERSONAL INCOME, OR \$600 FOR EACH COLORADAN

### TO COLORADO'S TEACHERS



# \$1.1 BILLION

Teachers, teachers' aides, and other direct providers of education services are expected to see additional total wages paid of over **\$1.1 billion** from 2027 to 2031.