



**House Fiscal Responsibility Reported Substitute  
for HB342**

A BILL

TO BE ENTITLED

AN ACT

Relating to federal tax credits; to provide for the State of Alabama's participation in the federal tax credit for individuals who make qualified contributions to scholarship granting organizations.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) The Legislature voluntarily elects the State of Alabama to participate in the federal tax credit established under 26 U.S.C. § 25F for individuals who make qualified contributions to scholarship granting organizations.

(b) The Department of Revenue shall annually submit to the U.S. Secretary of the Treasury and publish on the Department of Revenue's website a list of all scholarship granting organizations that meet the requirements under 26 U.S.C. § 25F and are located in this state. The Department of Revenue shall certify to the U.S. Secretary of the Treasury the Department of Revenue's authority to submit the list on behalf of the state and comply with the requirements of 26 U.S.C. § 25F, including any applicable federal regulations or guidance, to ensure that the state is eligible to participate



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29 in taxable years beginning after December 31, 2026.

30 (c) The Department of Revenue may establish rules for  
31 the implementation and administration of this act.

32 Section 2. This act shall become effective immediately.