14.125 Federal qualified elementary and secondary education scholarship tax credit -- Duties -- Administrative regulations -- Fees -- Immunity. (Effective July 15, 2026)

(1) Pursuant to 26 U.S.C. sec. 25F(g):

(a) The General Assembly hereby designates itself under state law to make the election on behalf of the Commonwealth with respect to federal tax benefits under 26 U.S.C. sec. 25F;

(b) The General Assembly hereby elects that in each calendar year the Commonwealth of Kentucky shall:

1. Participate in the qualified elementary and secondary education scholarship federal tax credit established under 26 U.S.C. sec. 25F, or any successor program, for individuals who make qualifying contributions to scholarship granting organizations; and

2. Identify scholarship granting organizations in the state;

(c) The Secretary of State is hereby designated under Kentucky law as the sole official authorized to:

1. Report the state's election to participate in the qualified elementary and secondary education scholarship federal tax credit under 26 U.S.C. sec. 25F; and

2. Submit a list as described in 26 U.S.C sec. 25F(g) and perform other functions necessary to implement the General Assembly's election under paragraph (a) of this subsection; and

(d) The Secretary of State shall notify the United States Secretary of the Treasury of the Commonwealth's participation in the qualified elementary and secondary education scholarship federal tax credit and submit the list established by the Secretary of State by January 1 of each year.

(2) The Secretary of State shall publish the associated administrative regulations and other applicable guidance issued by the United States Secretary of the Treasury or the Internal Revenue Service on the Secretary of State's website.

(3) The Secretary of State may promulgate administrative regulations in accordance with KRS Chapter 13A necessary to carry out this section.

(4) The Secretary of State shall collect a fee from scholarship granting organizations or accept private contributions to pay the necessary costs of administration of this section. All amounts received under this subsection shall be deposited in a restricted fund account, not commingled, and shall be used solely to administer this section.

(5) Any immunity under the Eleventh Amendment to the Constitution of the United States is waived under this section.

Effective: July 15, 2026

History: Created 2026 Ky. Acts ch. 4, sec. 1, effective July 15, 2026.