



Proposed Idaho Parental Choice Tax Credit Program Uses Taxpayer Dollars to Pay for Private School Expenses

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Idaho's students, families, and communities benefit when Idaho's kids have access to high quality educational opportunities. However, House Bill 93 diverts taxpayer dollars away from Idaho's public school system to provide financial support to a select few Idaho students in a limited number of geographical areas – ultimately harming Idaho's rural students and schools the most. Similar programs enacted across the country have consistently ballooned in cost over time to the detriment of public school funding.

These funds would be better spent on bolstering Idaho's public education system statewide and providing tax relief that benefits all Idaho children through an improved Child Tax Credit.

What is Included in HB 93?

Under House Bill 93, the cost of the proposed refundable Idaho Parental Choice Tax Credit would be capped at \$50 million annually and serve about 10,000 Idaho students. Parents¹ could claim a \$5,000 refundable tax credit per child they have enrolled in a non-public school. Parents of children with disabilities would be eligible for a bolstered amount of \$7,500.²

The credits would be distributed on a first-come first-served basis. In 2026, priority would be given to parents whose incomes are at or below 300% of the federal poverty level (FPL)³ during an initial application period. In 2027, priority would be given to previous recipients and then to new applicants whose incomes are at or below 300% FPL. The credits could be used to reimburse parents or guardians for K-12 private education expenses including tuition and fees, nationally standardized assessments, textbooks, curriculum, and other educational materials. Parents making at or less than 300% FPL could apply for a one-time advance payment of the tax credit for each eligible student.

The Idaho Parental Choice Tax Credit is Expensive, Unaccountable, and Does Not Expand School Choice.

The Idaho Parental Choice Tax Credit program is being funded at the expense of the public education system. House Bill 93 is a school voucher program because it allows families to use public funds to pay for their children's private education through refundable tax credits, decreasing the funds available for needed investments in public education. States that adopt similar programs greatly expand them over time.⁴ If the \$50 million cap is removed in the future, the cost of the program is projected to balloon to \$339 million annually.⁵ Idaho currently ranks last in per pupil spending for the public schools that educate the majority of Idaho's children.

The Idaho Parental Choice Tax Credit program will not expand school choice for rural Idaho students. Nearly half of all counties in Idaho (20) do not contain a single private school, and only 22% of Idaho's 121 private schools are in rural towns. Furthermore, rural towns in Idaho that do have a private school usually only have one. Most of the state's private schools are in Ada County, where Idaho's most populous city of Boise is located (see the map in Appendix 3 for the number of private schools in each of Idaho's counties). Because private schools are concentrated in urban communities, a voucher program would divert rural tax dollars to subsidize payouts to private schools in Idaho counties that contain urban areas.⁶

The Idaho Parental Choice Tax Credit program is unaccountable. While private schools would be required to be accredited and/or keep a record of a student's learning growth, they would not become subject to the same requirements public schools are expected to meet. Public schools are required to admit every student and be transparent about their finances and operations, while the bill does not require any sort of disclosure from private schools about their finances or how they operate. The bill states, "a nonpublic school shall not be required to alter its creed, practices, admissions policy, or curriculum."⁷ The only reports that would be required are a parent satisfaction and engagement survey and a report from the Idaho State Tax Commission on the use of the program.

The Idaho Parental Choice Tax Credit program does not effectively prioritize children from households with low incomes in the long term. Although the proposal initially gives priority to parents whose incomes are at or below 300% FPL during the first year, the proposal also clarifies that parents who received the credit the first year will have priority the following year regardless of their income level. Over time, children from low-income households will likely be unable to qualify as grandfathered households continue to benefit from the tax credit year after year resulting in an insignificant expansion of school choice for low-income families.

Policy Recommendation: Fund Families, Not Private Schools, with a Child Tax Credit

Instead of creating a private school tax credit program only a select few could benefit from, Idaho could make the state Child Tax Credit refundable and create a state Earned Income Tax Credit to enhance the economic security of low to middle income families. The efforts would cost significantly less at \$74 million (\$29 million for the refundable CTC and \$45 million for the EITC)⁸ and the programs would benefit more than double the number of families a private school tax credit voucher would reach.⁹ The Child Tax Credit and the Earned Income Tax Credit puts money back into the pockets of hard-working Idahoans - empowering them to spend their money as they choose, whether that is for additional educational supports for their children, groceries on the table, or gas in their vehicles.

House Bill 39 was reintroduced as House Bill 93. The changes to the updated bill do not significantly impact our findings.

Endnotes

1. HB93 defines “parent” as a parent, legal guardian, or foster parent, if such foster parent is licensed and in good standing. Pg 2 lines 6-8.
2. A child’s disability would need to be documented by a licensed health care professional or in an Individualized Education Plan (IEP). Pg 3 lines 17-21.
3. See Appendix 1 for the 2025 federal poverty levels.
4. Idaho Center for Fiscal Policy and Public Funds Public Schools. “Spending on Private School Vouchers Increases Over Time.” January 10, 2024. Spending on Private School Vouchers Increases Over Time - Idaho Center for Fiscal Policy (idahofiscal.org)
5. See Appendix 2 for the ICFP cost analysis of HB 39.
6. Idaho Center for Fiscal Policy and Public Funds Public Schools. “Private School Vouchers Are Especially Harmful to Rural Communities.” January 10, 2024. Private School Vouchers Are Especially Harmful to Rural Communities - Idaho Center for Fiscal Policy (idahofiscal.org)
7. Idaho Legislature. “H0039 – Seventy Eighth Legislature (2025): Idaho Parental Choice Tax Credit.” Pg 5, lines 13-21.
8. May Roberts. “Idaho’s Recent String of Income Tax Cuts Jeopardizes Investments in Public Services.” Idaho Center for Fiscal Policy. October 4, 2024.
9. ICFP estimated that HB 447 of 2024 would reach approximately 34 thousand families, while the CTC and EITC would reach approximately 80 thousand families.

Appendix 1: 2025 Federal Poverty Level

The federal poverty level (FPL) is an annual measure of income that determines whether a person or family is living in poverty.

2025 Poverty Guidelines

Federal Poverty Levels by Persons in Family

Persons in Family/Household	100% FPL	300% FPL
1	\$15,650	\$46,950
2	\$21,150	\$63,450
3	\$26,650	\$79,950
4	\$32,150	\$96,450
5	\$37,650	\$112,950
6	\$43,150	\$129,450
7	\$48,650	\$145,950
8	\$54,150	\$162,450

Table: Idaho Center for Fiscal Policy • Source: U.S. Department of Health and Human Services • Created with Datawrapper

Appendix 2: House Bill 93 Cost Analysis

Estimates of the future cost of this program at the state level were made by multiplying the number of private school and public-school students in Idaho by utilization rates based on studies conducted of similar existing programs to calculate the number of program participants. The number of participants was then multiplied by \$5,000 to calculate the projected annual cost. The cost of the program may be more expensive than this estimate because the analysis was unable to estimate the number of students with disabilities that would be eligible for the program's bolstered \$7,500 amount.

HB 93 Idaho Parental Choice Tax Credit Cost Projection for FY 2027 and Beyond

The annual cost of the proposed Idaho Parental Choice Tax Credit would be capped at \$50 million in 2026, but in 2027 and beyond, the annual cost could increase to nearly \$339 million based on legislative action.

	Number of Students	Utilization Rate	Number of Participants	Annual Cost Projection
Private School	43,046	75%	32,285	\$161,422,500
Public School	295,429	12%	35,451	\$177,257,334
Total			67,736	\$338,679,834

Private school estimate includes homeschooled students.

Table: Idaho Center for Fiscal Policy • Source: US Census Bureau, Florida Policy Institute, Idaho Legislature, Idaho Department of Education • Created with Datawrapper

Number of Students: The tax credit in HB 93 is awarded per eligible student. The number of K-12 students in private school was found on the US Census site in table [B14002](#) under 2023 5-year estimates. The US Census definition of private school includes homeschool. The number of students in public school was found on the Idaho State Department of Education site under [Midterm ADA 2024-2025](#).

Utilization Rate: The private school subsidy utilization rates are based on [studies conducted of similar existing programs](#).

Number of Participants: The number of program participants was calculated by multiplying the number of students by the utilization rate.

Projected Cost: The projected cost was calculated by multiplying the number of participants by the \$5,000 award amount stated in HB 93.

Appendix 3: Map of Students in Idaho Who Lack Access to Private Schools

Students in Rural Idaho Lack Access to Private Schools

