

**COMMENTARY**

## Under the Voucher Radar

By Kevin G. Welner

Tuition tax credits for private schools, a policy increasingly popular among advocates of school choice, present us with several riddles. When is a charitable donation not charity? When is a public expenditure not public spending? And what policy can be virtually indistinguishable from a voucher in its effects, but be treated by courts as something very different? The answer to this last question, and the key to answering the first two, is a type of tuition tax credit I call a "neovoucher."

Traditional vouchers offer parents government funding for tuition at nonpublic schools. Neovouchers rely on a more complicated, and thus less transparent, process:

First, a taxpayer donates money to a private, nonprofit



organization. Then that organization bundles the donations and issues them to parents as vouchers toward tuition at nonpublic schools. Finally, the taxpayer-donor receives some or all of the donated money back, in the form of a tax credit from the state.

The money thus goes from taxpayer, to nonprofit organization, to parent, to school. The taxpayer then is reimbursed by the state. This answers the first riddle. In Arizona, Florida, and Georgia, that

education system.

Proponents of neovouchers contend that they provide opportunities for greater academic and life success, particularly for underserved children. This is a powerful and important claim that deserves to be given a fair evaluation. Unfortunately, none of the six states with neovoucher laws collects

---

**States are embracing 'neovoucher' tuition-tax-credit plans without knowing what their long-term risks or benefits might be.**

no part of the private school sector is given preference over another. Neovouchers, by contrast, permit a subset of taxpayers to decide which students and schools receive assistance. Each person claiming a tax credit in effect substitutes his or her spending preferences for those of an elected

---

---