



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

TO: Russell Vought, Director, Office of Management and Budget

FROM: Ryan Law, Deputy Assistant Secretary for Privacy, Transparency, and Records

SUBJECT: Justification for Emergency Processing: T.D. 10057

The Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) are requesting, under emergency procedures at 5 CFR § 1320.13(a)(2)(iii), to add collection requirements to OMB Control Number 1545-2335 in connection with implementing section 70411 of Public Law 119-21, 139 Stat. 72, 176 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act (OBBBA).

Section 70411 of the OBBBA enacted 26 U.S.C. 25F, which provides a nonrefundable income tax credit of up to \$1,700 per individual filer and up to \$3,400 per joint filing of married couples for qualified contributions made in taxable years beginning after 2026. A “qualified contribution” is defined as a charitable contribution of cash to a public charity classified as a “scholarship granting organization” within the meaning of section 25F(c)(5) (SGO) that uses the contribution to fund scholarships for eligible students solely within the covered State in which the SGO is listed pursuant to section 25F(g). A “covered state” is defined as one of the 50 States or the District of Columbia (State), that, for a calendar year, voluntarily elects to participate under § 25 and provides a list that identifies SGOs in the State for the applicable calendar year. Section 25F(g)(1) provides that a State that voluntarily elects to participate under § 25F must provide a list of SGOs that are located in the State by “January 1 of each calendar year (or, with respect to the first calendar year for which this section applies [i.e., 2027], *as early as practicable*).”

Beginning on January 1, 2027, individual taxpayers will be able to make contributions to any SGOs that have been certified by their respective States as part of their State’s election to participate in section 25F. In order to enable the States’ participation, the Treasury Department and the IRS published a temporary rule for a State to make its election and provide its certification of organizations located in the State that are SGOs [RIN 1545-BS17].

The Treasury Department and the IRS have received several comments in response to the IRS Notice 2025-70, Request for Comments on Individual Tax Credit for Qualified Contributions to Scholarship Granting Organizations. Stakeholders from around the country emphasized that guidance is needed as soon as possible to address the most critical operational questions related to the implementation of section 25F. Specifically, commenters stated that knowing what procedures to implement in their organizations is critical to ensuring SGOs can be established and ready to operate by January 1, 2027. Commenters have stated that potential SGOs need sufficient time to prepare for the commencement of this new tax credit in 2027. Specifically, they need to begin organizing themselves as valid SGOs to solicit and record contributions to be received in early 2027.

To respond to this immediate need of States and SGOs, T.D. 10057 provides rules that expand the collections of information under OMB Control Number 1545-2235. The added collections allow for State elections to participate under section 25F, including the registration process on the IRS State section 25F portal; rules for information and certifications a State is required to provide for each organization included on the State SGO list; and procedures a State must use in determining whether organizations meet the requirements of section 25F(c)(5). In addition, T.D. 10057 provides procedures for registering SGOs through an IRS electronic SGO portal; reporting, recordkeeping, and third-party disclosure of qualified contributions received by SGOs; and providing timely written acknowledgments to donors.

The IRS needs to release T.D. 10057 as soon as possible for the benefit of all relevant stakeholders:

1. States who wish to exercise their election to participate under § 25F, to allow States to begin preparing and submitting SGO lists to the IRS later in 2026;
2. Organizations who wish to prepare to qualify as an SGO in a participating State, as well as individuals and others who may seek to organize an SGO in a participating State; and
3. Individuals who may wish to make contributions to SGOs in calendar year 2027.

Without this approved information collection, the IRS will be unable to ensure that States are able to elect to participate (or perfect an advance election to participate), review applicant SGOs, and certify that the SGOs in their state meet the 25F statutory requirements in a timely manner in order for taxpayers to be able to make contributions beginning on January 1, 2027. These temporary regulations must be issued promptly to allow enough time for organizations to organize and submit the required documentation with enough time so that States can determine that each organization's documentation supports their assertions that they meet the statutory requirements to be an SGO.

Additionally, the SGO reporting requirements must be approved so that an electronic registration process can be completed through the IRS SGO portal before January 1, 2027. Registration before this date will allow each SGO to obtain instructions to create its unique donor numbers, enabling donors to substantiate their donations without providing their EIN to the SGO and for the IRS to validate those contributions on returns filed for the 2027 taxable year. Registration will also allow SGOs to provide timely written acknowledgements to donors no later than January 31, 2028. Finally, the new systems required to implement these interrelated processes must also be sufficiently developed by the time qualified contributions can be made on January 1, 2027.

Accordingly, the Treasury Department and IRS request emergency processing of this information collection request for T.D. 10057 by September 30, 2026. Given the inability to seek public comment during such a short timeframe, the IRS also respectfully requests a waiver from the requirement to publish a notice in the *Federal Register* seeking public comment during the period of Office of Management and Budget review.