

# Suit opposes tax credits that fund religious schools

by [Bob Allen](#) in the [February 20, 2013](#) issue

Three civil liberties organizations have filed a lawsuit challenging New Hampshire's new school-choice bill which provides scholarships funded by tax credits for underprivileged students to attend private schools.

The three—Americans United for Separation of Church and State, the New Hampshire Civil Liberties Union and the American Civil Liberties Union—contend that the education tax credit program which took effect January 1 will divert funding from public schools.

They say most of the benefit will go to religious schools, because two-thirds of the state's private-school students attend schools that indoctrinate children in a particular faith.

"This is just a backdoor voucher scheme," said Barry Lynn, executive director of Americans United for Separation of Church and State. "Whether it's through a traditional voucher or a tax credit, the result is the same: taxpayers are subsidizing religious instruction."

The program allows businesses to reduce their tax liability by receiving an 85 percent tax credit in exchange for donations made to K-12 scholarship organizations, which will pay for tuition at private schools. Since there will be no state oversight of the schools receiving scholarship monies, the plaintiffs said in the suit filed January 9 that religious schools will be able to use the funds for religious instruction, indoctrination and discrimination.

They claim that the tax credits violate the state constitution's guarantee that "no person shall ever be compelled to pay towards the support of the schools of any sect or denomination." They say the New Hampshire Supreme Court has strictly interpreted that provision to prohibit any diversion of tax funds to support religious activities of sectarian schools.

New Hampshire is one of 11 states offering tax-credit scholarships for underprivileged students in private schools. The bill, adopted as a result of the legislature's override of a veto by then governor John Lynch, is the first in the nation to include support for homeschooling expenses.

"Tax credits are not considered government money and thus carry virtually no risk of increased regulation on home-schooling," the Home School Legal Defense Association said in a statement supporting the measure. "The bill will assist families who wish to escape from public schools to be better able to choose homeschooling instead of enrolling in public school programs." —ABP