CHOOSE Act Alabama
Frequently Asked Questions

Updated November 10, 2026

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Overview of the CHOOSE Act Program

Q1: What is CHOOSE Act Alabama?
A: The Creating Hope and Opportunity for Our Students' Education Act of 2024 (The CHOOSE Act) is administered by the Alabama Department of Revenue (ALDOR). CHOOSE Act Alabama makes refundable income tax credits called education savings accounts (ESAs) available to support the success of eligible K5-12 students in Alabama. ALDOR has contracted with ClassWallet for programmatic support and to coordinate the distribution of funds to participating families.

Q2: How much money does a student receive in an ESA?
A: A family can receive $7,000 for each participating student who is enrolled in a participating school and $2,000 for each participating student who is participating in a home education program (this includes an individual or group program, homeschool co-op, etc., and is capped at $4,000 per family.)

Q3: What can the ESA funds be used for?
A: The funds can be used for a wide variety of educational options, giving families the ability to meet their students' personalized learning needs. Approved expenses include:

- Tuition and select fees at a participating school
- Textbooks in approved subjects
- Fees for after-school or summer education programs provided by a participating school
- Curriculum and supplemental reading materials
- Instructional materials (i.e., certain school supplies)
- Private tutoring in approved subjects
- Computers and technological aids
- Tuition and fees for approved nonpublic K-12 online learning programs
- Educational software and applications
- Educational therapies for students with disabilities
- Fees for standardized and nationally recognized assessments
- Contracted services provided by a public school district, including specific classroom instruction

More detailed information on approved and disallowed ESA expenses is available in the Parent Guide located on the CHOOSE Act website. Remember, if an item is not specifically

listed in the Parent Guide as an eligible expense, then it will not be approved for purchase with your student's ESA funds.

Q4. How do I know which ESA tax credit to apply for – the participating school $7,000 ESA or the home education $2,000 ESA?
A: The type of ESA tax credit you select should be based on each child's upcoming academic year that you are applying for. Below is an explanation of the two different ESA tax credit amounts.

The $7,000 participating school ESA is for students enrolled (or that intend to enroll) in a participating school for the school year for which you are applying. A list of Participating Schools is available on the CHOOSE Act website. If the school your student attends is not listed on the participating school list, they will not be eligible for the $7,000 participating school ESA tax credit. Additionally, for clarification on public school students enrolled in participating public schools see Q3 – section on Family and Student ESA Eligibility Requirements.

The $2,000 home education ESA is for students who are not enrolled in and physically attending a school in Alabama – either participating or non-participating. Examples of a home education program include students that participate in individual or group programs, homeschool programs, microschools that are not approved as participating schools, online individual or group programs, home school co-ops, etc. Additionally, for clarification on home education students enrolled in virtual public school programs see Q4 – section on Family and Student ESA Eligibility Requirements.

Family and Student ESA Eligibility Requirements

Q1: Who is eligible for The CHOOSE Act Program?

A: To be eligible for the 2025-2026 and 2026-2027 school years, the student must be in grades K5-12 and:

- Be a resident of Alabama
- Have a household adjusted gross income that does not exceed 300% of the federal poverty level for the proceeding tax year. See the Federal Poverty Level Guideline chart below.

Persons in Family/Household	300% of 2025 Federal Poverty Guideline
1	$46,950
2	$63,450
3	$79,950
4	$96,450
5	$112,950
6	$129,450
7	$145,950
8	$162,450
For families/households with more than 8 persons, add $16,500 for each additional person.	

To be eligible for the **2027-2028 academic year and beyond**, the student must be in grades K5-12, and the applicant and student must be a resident of/reside in Alabama. There is no longer an income requirement for eligibility. However, AGI will be used to calculate a percentage of federal poverty level for award, as appropriate.

IMPORTANT NOTES ON ELIGIBILITY AND PRIORITY STATUS:

Priority Status: For eligible students, each academic year, the first 500 ESAs are reserved for students with special needs.

In addition, priority status is given to participating students and siblings of participating students, as well as students who are dependents of active-duty service members that are enrolled in or assigned to a priority school. A priority school is defined as a public K-12 school that received a grade of "D" or "F" on its most recent Alabama State Department of Education school report card.

To be eligible as a kindergartener, the student must turn 5 by September 1 of the start of the academic year.

Q2: I have a four-year old who will be starting kindergarten in the upcoming school year. Are they an eligible student?
A: Pursuant to program rules, a student must be five years of age by September 1 of the start of the academic year to be eligible to apply.

Example 1 - The student starts kindergarten on August 15, 2027, and turns 5 on August 26, 2027. The student falls within the approved age range and is eligible to apply for CHOOSE Act funds for the 2027-2028 school year.

Example 2 – The student starts kindergarten on August 15, 2027, and turns 5 on September 2, 2027. The student does not fall within the approved age range and is not eligible to apply for CHOOSE Act funds for the 2027-2028 school year.

Q3: Can my student be enrolled in public school and be awarded the participating school $7,000 ESA tax credit?
A: Yes, but ONLY if the public school is a participating school **and** charges tuition for the student (out-of-district tuition). A list of Participating Schools is available on CHOOSE Act website**.** If the participating public school does not charge your child a tuition (out-of-district tuition), then the student is not eligible for the participating school $7,000 ESA tax credit. Note that proof of out-of-district tuition will be required before the student can be awarded an ESA.

Q4: Can my student be enrolled in a virtual public school and qualify for the $2,000 home education ESA tax credit?
A: No, a student who attends a public school virtually (either district specific or statewide available programs) is not eligible to receive the $2,000 ESA. Home education students cannot be enrolled full-time in an online public school and receive the ESA tax credit.

Q5: If my child is currently receiving a scholarship from a Scholarship Granting Organization (SGO) through the Alabama Accountability Act (AAA), can he also apply for an ESA through CHOOSE Act Alabama?
A: While a parent can apply for both income tax credit programs, your child can only receive funds from one program, in other words, the parent must decide at the time the ESA is awarded as to whether the AAA scholarship, or the CHOOSE Act Alabama ESA, will be accepted. They cannot receive both. However, a parent may accept an AAA scholarship for one of their children and a CHOOSE Act Alabama ESA for another child in the same family.

Q6: If a parent is an employee of a participating school or other education service provider, can that parent's own child still be awarded funds through CHOOSE Act Alabama?

A: Pursuant to program rules, the parent of a participating student cannot receive payment for services or products provided to such student in their capacity as an ESP. However, a parent who is an employee of the ESP, including a participating school, may use their child's ESA for payment to the ESP or participating school.

Application Process and Required Documentation

Q1: How do I apply and what documents will I need?
A: Visit the CHOOSE Act website at chooseact.alabama.gov for the application link which is available only during the application period. The application is electronic only (mobile-friendly and web-based) and is not available or accepted in paper form.

All communication regarding your application status and document acceptance will be sent electronically to the email associated with your FACTS CHOOSE Act login. You must check your email regularly, including spam folders, throughout the application period. Failure to respond to any email requiring action may jeopardize your application and your eligibility/award. If you have questions related to your application status, call FACTS at 1-855-828-0754.

I'm a NEW Parent or Guardian Applying

A new parent or guardian applicant is one that has not previously applied for CHOOSE Act Alabama; or an applicant that applied for the previous academic year but was either not awarded, or did not complete the award affidavit in ClassWallet.

To complete the application as a NEW parent/guardian, you will need three documents*:

1. **Most Recent Alabama Income Tax Return (2025 or 2026 tax year)**
   Applicants that are not required by law to file an Alabama tax return can submit alternative documents such as a Social Security statement, Temporary Assistance for Needy Families (TANF) benefits statement, Supplemental Nutrition Assistance Program (SNAP) benefits statement, or the most recent federal tax return (*not a common circumstance – default is the Alabama income tax return*).
2. **State Issued ID/Residency Documentation**
   Default is a state-issued ID (Alabama driver license, Alabama non-driver identification card, STAR ID, Alabama photo voter ID card). However other residency examples may include a recent Alabama tax return, recent utility bill, mortgage statement, rental or lease agreement (not a common circumstance – default is Alabama issued ID).
3. **Student Birth Certificate for each student added to the application**

All three individual documents MUST be uploaded with the application no later than March 31, 2027. The absence of any of the required documents by the March 31st deadline will cause your application to be denied and not be awarded an ESA.

**Additional documents that may be needed by March 31 include special needs documentation (e.g., current IEP, Section 504 Plan, or other comparable documents) and active-duty service military documentation, if applicable. These documents MUST be uploaded with the application no later than March 31, 2027.*

I am a RENEWING Parent or Guardian Applying

A renewing parent or guardian applicant is the parent of a participating student that received CHOOSE Act funds for the 2026-2027 academic year.

As a RENEWING parent or guardian, to complete the application you will need:

1. **Your 2026-2027 FACTS CHOOSE Act application login and password, and application ID**
2. **The name of the participating school your student(s) will attend in the 2027-2028 academic year**
3. **Student birth certificate for each new sibling you are adding to your application** Birth certificates for added siblings MUST be uploaded with the application no later than March 31, 2027.

Failure to upload these documents by March 31 will cause your application to be denied and not awarded an ESA.

**Additional documents that may be needed by March 31 include special needs documentation (e.g., current IEP, Section 504 Plan, or other comparable documents) and active-duty service military documentation, if applicable. These documents MUST be uploaded with the application no later than March 31, 2027.*

FOR ALL APPLICATIONS – remember the following

No application or eligibility document will be accepted after March 31, 2027.

Important Note on ESA Tax Credit Type: As part of the application process, you will be asked which ESA tax credit you are applying for – either the participating school ESA tax credit of $7,000 or the home education tax credit of $2,000. If you need help understanding

which ESA tax credit type you should apply for, see Q4 - section on Overview of the CHOOSE Act Program.

For Special Needs and Active Duty Military Notations: If your student has special needs and you would like that noted in the program, you will be asked to provide a recent copy of the student's Individualized Education Program (IEP), Individualized Service Plan (ISP), 504 Plan or similar document. Active-duty military members must attest that the student is enrolled in or assigned to a priority school, and will be asked to provide a copy of their military-issued ID or a copy of military orders establishing that the parent has been or will be stationed in the state of Alabama on active duty for a period of more than 30 days during the academic year for which the parent will receive a tax credit.

Refer to the current Family Application Timeline posted on the CHOOSE Act website at chooseact.alabama.gov for a reminder of the application and award deadlines.

Q2: When applying, which year's Alabama tax return do I have to submit?
A: You should submit your most recently filed Alabama tax return that you have available. For example, for the 2027-2028 academic year application, you can submit either your 2025 or 2026 tax return.

Q3: What if I do not claim my student as a dependent on my tax return – can I still apply for the CHOOSE Act ESA tax credit for that student?
A: The individual who is claiming the child as a dependent on their Alabama income tax return should be the person applying for the CHOOSE Act ESA refundable income tax credit.

Q4: Can I count my child who is away at college when determining the number of "Persons in Family/Household"?
A: Yes, any child or individual that you claim on your income tax return as a dependent, regardless of age, should be considered in the number of "Persons in Family/Household."

Q5: How is the adjusted gross income (AGI) determined?
A: Adjusted gross income (AGI) is based on the most recently filed Alabama income tax return. Applicants that are not required by law to file an Alabama tax return can submit alternative documents such as a Social Security statement, Temporary Assistance for Needy Families (TANF) benefits statement, Supplemental Nutrition Assistance Program (SNAP) benefits statement, or federal return (not a common circumstance – default is the Alabama income tax return).

Q6: How is the household size determined for the federal poverty level percentage?
A: The household size is determined by the number of individuals (primary filers and dependents) filed on the Alabama tax return you submit. If there are extenuating circumstances, supplemental documentation may be provided to verify household size. However, the default will be the preceding year's Alabama income tax return.

Example 1: Your return shows you file Married Filing Joint and claim two dependents. Your household size would be calculated as four.

Example 2: Your return shows you file Head of House and claim one dependent. Your household size would be calculated as two.

Example 3: Your return shows you file Married Filing Separate and claim two dependents and your spouse files Married Filing Separate with no dependents. Your household size will be calculated based on your status and dependents (three) plus your spouses Married Filing Separate return (one) for a total household size of four. The income from the spouse's return will be included in the adjusted gross income calculation for percentage of federal poverty level.

Q7. If my child has special needs, do I have to meet the income requirement for the 2025-2026 and 2026-2027 school year?
A: Yes, all eligible students must be residents of Alabama and live in households that do not exceed 300% of the federal poverty level for the tax year. (See Q4 - section on Priority Status and Award Determinations.)

For the 2027-2028 academic year and beyond, there is no longer an income requirement for eligibility. However, AGI will be used to calculate a percentage of federal poverty level for award, as appropriate.

Q8: If we haven't decided yet which participating school our child will attend next school year, can we still apply?
A: Yes, when completing the application, you can select a participating school that you might be considering, but at the time that the award is made, you must select a participating school. The school listed on the application must match the enrollment document. School verification of your child's enrollment in that school is required before awarding the ESA.

Changing Your ESA School Type

Q1: Can I change my student's ESA School Type for the 2026-2027 academic year on my CHOOSE Act application after June 30, 2026?
A: An applicant can change their student's ESA School Type for the 2026-2027 academic year after June 30, 2026, under certain conditions:

- Going from Home Education Program to Participating School – Applicant should update the School Type and name of Participating School on their application and upload the enrollment verification document.
- Going from participating school to homeschool – Applicant should update the School Type on their application and provide documentation showing the student will be homeschooled. This document should be notification from either a cover school or from the local public school district of the parent's intent to homeschool their student for the 2026-2027 academic year.

Once documentation is received and reviewed/approved, funding may be expected the following month if approved 10 business days before the end of the prior month. After the change of school type is approved, the award amount will reflect the ESA amount previously spent by the student in the original award. Additionally, ESA funding will be contingent upon overall program funding availability.

Q2: Can I change my student's ESA School Type for the 2027-2028 academic year on my CHOOSE Act application after I submit the application?
A: No. Your selected ESA Tax Credit Type that you applied for at the time of the application deadline – March 31, 2027 – determines the potential award and therefore, the School Type cannot be changed **after the application deadline**.

For example, a student moving from a participating school to a home education program cannot switch from a $7,000 award to a $2,000 award after the application deadline of March 31. Likewise, a student moving from a home education program to a participating school cannot switch from a $2,000 award to a $7,000 award after the application deadline. The ESA will be suspended and deactivated if the enrollment type changes during the academic year. However, you can reapply the following year for a new award type if needed.

Priority Status and Award Determinations

Q1: Who is eligible for The CHOOSE Act Program?

A: To be eligible for the 2025-2026 and 2026-2027 school years, the student must be in grades K5-12 and:

- Be a resident of Alabama
- Have a household adjusted gross income that does not exceed 300% of the federal poverty level for the proceeding tax year (see chart below).

Persons in Family/Household	300% of 2025 Federal Poverty Guideline
1	$46,950
2	$63,450
3	$79,950
4	$96,450
5	$112,950
6	$129,450
7	$145,950
8	$162,450
For families/households with more than 8 persons, add $16,500 for each additional person.	

To be eligible for the 2027-2028 academic year and beyond, the student must be in grades K5-12, and the applicant and student must be a resident of/reside in Alabama. There is no longer an income requirement for eligibility. However, AGI will be used to calculate a percentage of federal poverty level for award, as appropriate.

IMPORTANT NOTES ON ELIGIBILITY AND PRIORITY STATUS:

Priority Status: Each academic year, for eligible students the first 500 ESAs are reserved for students with special needs.

In addition, priority is given to participating students and siblings of participating students, as well as students who are dependents of active-duty service members who are enrolled in or assigned to a priority school. A priority school is defined as a public K-12 school that received a grade of "D" or "F" on its most recent Alabama Department of Education school report card.

To be eligible as a kindergartener, the student must turn 5 by September 1 of the start of the academic year.

Q2: Will applications be awarded for ESA funds on a first-come, first-served basis?
A: No, the CHOOSE Act Alabama application period runs for a definitive period starting in early January each year (see the CHOOSE Act website for the application period). When the application period closes, all applications received during that period will be organized, based on the eligibility requirements and their priority status, and awarded based on a percentage of the federal poverty level.

Q3: What is the priority for awarding ESAs?
A: There are three priority tiers within the program.

1. The first 500 ESAs are reserved for students with special needs.
2. Participating students and their siblings
3. Students who are dependents of active-duty service members (enrolled in or assigned to a priority school).

However, a priority status is not a requirement to receive funds – it simply places a student in a higher approval tier. All families are encouraged to apply. Further, awarding in special needs and active-duty military is still based on adjusted gross income as a percentage of the federal poverty level.

Q4: How do I get an Individualized Service Plan (ISP) or similar plan, for my child who has special needs?
A: Contact an administrator at the school and ask if they can create an ISP or similar plan for your child. You can also reach out to a physician or to your local education or health agencies and have them provide a letter stating your student has special needs and requires special accommodations. Please note that a notation of special needs in the program is not a requirement to apply.

Q5: If my family doesn't fall under one of the priority categories, can my child still be eligible to receive an ESA?
A: Yes. Priorities **are not** a requirement to receive funds. They simply place you in a higher award approval tier.

Q6. Do I have to report if my child has special needs?
A: No, you do not have to report or notate that your student has special needs. You may submit the application without that notation and documentation if you prefer.

Q7: We are a homeschool family with four children in grades K5 – 12 and have applied for CHOOSE Act Alabama. We understand that a participating student enrolled in a home education program can receive an education savings account (ESA) of $2,000 for

the school year, but the amount is capped at $4,000 per family. If my children are eligible to receive CHOOSE Act Alabama ESAs, how will the award assignments be determined since I have four children?

A: If there is a student with special needs, they will be assigned first as an ESA recipient on the family ClassWallet dashboard, then the award will be assigned to the oldest student in the family. This allows siblings of the participating students to be added to the program as the older siblings age out. While only two children's names of the four children will be assigned the award, all eligible students within the family will be listed in the family's ClassWallet account.

Family Structure, Household, and Custody Situations

Q1: My spouse and I are divorced, so who should apply for the ESA for our child?
A: The CHOOSE Act ESA is a refundable income tax credit and is based on the preceding year Alabama tax return. The parent or guardian who claims the child as a dependent on their tax return should apply for the child's ESA. If there are extenuating circumstances, dependency status may be verified by using legal documents such as a court order, divorce decree, or guardianship document. Such documents must be uploaded prior to the application deadline for consideration.

Q2: Can I count my child who is away at college in the number of "Persons in Family/Household"?
A: Yes, any child or individual that you claim on your income tax return as a dependent, regardless of age, should be considered when determining the number of "Persons in Family/Household."

Q3: How is the household size determined for the federal poverty level percentage?
A: The household size is determined by the number of individuals (primary filers and dependents) filed on the Alabama tax return you submit. If there are extenuating circumstances, supplemental documentation may be provided to verify household size. However, the default with be the preceding year's Alabama income tax return.

Example 1: Your return shows you file Married Filing Joint and claim two dependents. Your household size would be calculated as four.

Example 2: Your return shows you file Head of House and claim one dependent. Your household size would be calculated as two.

Example 3: Your return shows you file Married Filing Separate and claim two dependents and your spouse files Married Filing Separate with no dependents. Your household size will be calculated based on your status and dependents (three) plus your spouses Married Filing Separate return (one) for a total household size of four. The income from the spouse's return will be included in the adjusted gross income calculation for percentage of federal poverty level.

Use of ESA Funds, Purchases, and Payments

Q1: How will I be able to make purchases or payments with ESA funds? Do I have to pay out-of-pocket and get reimbursed?
A: There is no reimbursement, of any educational expense, to families. All payments and purchases using ESA funds must be made through the ClassWallet platform. Learn more in the Parent Guide available on the CHOOSE Act website.

Q2: If my student is approved, when will I get funding?
A: Funds are distributed through an educational savings account (ESA) and will be deposited into the student's digital wallet beginning July 1 of the academic year.

Q3: Where can I find a list of the approved participating schools and other education service providers (vendors)?
A: A list of approved Education Service Providers, including Participating Schools is available on the CHOOSE Act website. These providers have been approved by ALDOR to participate in the program. If your preferred school or provider is not on either list, encourage them to complete an Education Service Provider (ESP) application available on the CHOOSE Act website. ESPs will be added as approved throughout the year.

Q4: What if my invoice is more than my ESA balance?
A: Participating families are responsible for any educational costs over and above the ESA balance in their student's account.

Q5: Is there a deadline by which the ESA funds must be used?
A: Yes, the ESA must be used within the academic year (between July 1 and June 30) in which the funds are awarded. The funds do not rollover to the next academic year. Unused ESA funds will be returned to the state's CHOOSE Act Fund.

Q6: As a homeschool family, can I use the ClassWallet ESA assigned to a particular student for qualifying educational expenses for another eligible student?
A: Yes, you should see all eligible students that were approved for the CHOOSE Act Alabama program in your ClassWallet digital wallet. Only two student accounts will reflect the funds. However, you will be able to use the CHOOSE Act funds for all the students who were eligible for the CHOOSE Act program, subject to the limitations of the rules. Please note that the total award amount for the homeschool education credit is still capped at

$4,000 per family and each awarded student's (participating student's) purse will only show the maximum allowed amount of $2,000 each.

Q7: I still have CHOOSE Act funds remaining in my student's digital wallet. Can I pay for next year's school enrollment or registration fees with these funds?
A: No, CHOOSE Act funds that are awarded in an academic year can only be used to pay for tuition, fees, or other educational expenses that pertain to the academic year for which the funds were awarded.

Q8. I purchased some items using my student's CHOOSE Act funds and no longer need them. Can I sell these items?
A: No, when agreeing to the CHOOSE Act Alabama Affidavit, CHOOSE Act recipients agree not to sell or share the ESA wallet with anyone and further acknowledge that any awarded funds or property purchased with such funds cannot be sold or used for individual gain or profit. The violation of such may result in administrative action from the Alabama Department of Revenue and the return/reimbursement of any funds used.

Enrollment, Transfers, and Participation Rules

Q1: If my child enrolls in a participating school and switches to another participating school, do we have to reapply for the program?
A: No, the student does not have to reapply. If the student transfers to another participating school during the same academic year, and the original participating school allows for tuition to be refunded to the student, then the unused ESA funds will return to the participating student's ESA and can be used at another participating school. However, the student's ESA will be suspended until enrollment at the new participating school is uploaded to the FACTS CHOOSE Act application. You should notify FACTS at 855-828-0754 of your students' new school enrollment.

Q2: When is the deadline for a family to upload school enrollment verification documentation in FACTS?
A: To receive CHOOSE Act Alabama funds on or around July 1st, the student's proof of enrollment at a participating school must be uploaded to the family application by June 30. For proof of enrollment documents received after the June 30th deadline, the student's ESA will be funded at the beginning of the month following approval of the proof of enrollment document. It is recommended that families upload all required documents as soon as possible to minimize any potential delay in receiving funds.

Q3: Can I change my student's ESA School Type for the 2026-2027 academic year on my CHOOSE Act application after June 30, 2026?
A: An applicant can change their student's ESA School Type for the 2026-2027 academic year after June 30, 2026, under certain conditions:

- Going from Home Education Program to Participating School - Applicant should update the School Type and name of Participating School on their application and upload the enrollment verification document.
- Going from participating school to homeschool - Applicant should update the School Type on their application and provide documentation showing the student will be homeschooled. This document should be notification from either a cover school or from the local public school district of the parent's intent to homeschool their student for the 2026-2027 academic year.

Once documentation is received and reviewed/approved, funding may be expected the following month if approved 10 business days before the end of the prior month. After the change of school type is approved, the award amount will reflect the ESA amount previously spent by the student in the original award. Additionally, ESA funding will be contingent upon overall program funding availability.

Q4: Can I change my student's ESA School Type for the 2027-2028 academic year on my CHOOSE Act application after I submit the application?

A: No. Your selected ESA Tax Credit Type that you applied for at the time of the application deadline – March 31, 2027 – determines the potential award and cannot be changed after the application deadline.

For example, a student moving from a participating school to a home education program cannot switch from a $7,000 award to a $2,000 award after the application deadline of March 31. Likewise, a student moving from a home education program to a participating school cannot switch from a $2,000 award to a $7,000 award after the application deadline. The ESA will be suspended and deactivated if the enrollment type changes during the academic year. However, you can reapply the following year for a new award type if needed.

ESA Purse Suspension Reasons and Appeal Rights

Q1: What are my next steps if my student's purse is suspended in ClassWallet?

A: A student's purse may be suspended for one of the following reasons (non-inclusive list):

- AAA Scholarship or AAA Tax Credit Recipient: If your student is receiving an AAA scholarship through an SGO, then the student's purse will be suspended as a student cannot participate in both the AAA scholarship program and CHOOSE Act Alabama program at the same time. Additionally, if you claim the AAA tax credit on your preceding year tax return (using Schedule AATC), the student's purse will be suspended since a student cannot receive an AAA tax credit and CHOOSE Act ESA tax credit. If your student's purse has been suspended for this reason and you would like to appeal the decision, you may follow the appeal process as noted in Q2 of this section.
- Unenrolled in a Participating School: If your student unenrolls or withdraws from the participating school that was indicated on the enrollment verification documentation in FACTS, then the student's purse will be suspended. You must re-submit enrollment verification documentation at a participating school through FACTS to unsuspend your student's purse.
- Unenrolled from a Home Education Program: After the award of ESA funds, if your student shifts from their Home Education Program to a public or private school, then the student's purse will be suspended.

Q2: What are my appeal rights?

A: A parent, participating student, education service provider, or other recipient of a CHOOSE Act tax credit may ask ALDOR to reconsider its decision. There are two steps to the appeal process, if necessary:

Step 1 - Request for Reconsideration:
Email chooseactappeal@revenue.alabama.gov to request a reconsideration of decision. You MUST include a summary of your request and include your family CHOOSE Act application number, name, contact information, and any documentation that supports your request. ALDOR will review your request for reconsideration and will email you with a final decision. The turnaround time for a request for reconsideration may vary depending on program workload.

Step 2 - Final Appeal (only available after Step 1- Request for Reconsideration has been completed):
ALDOR will provide you with the information to appeal to the Alabama Tax Tribunal if you are not in agreement with ALDOR's final decision from your request for reconsideration (Step 1).

Tax Treatment of CHOOSE Act Funds

Q1: Do I need to report the CHOOSE Act funds that my student received on my state or federal tax return?

A: No, while the CHOOSE Act funds are a refundable income tax credit in the form of an ESA, any funds that your student receives do not have to be reported on your state or federal tax return. The CHOOSE Act funds do not affect your taxes owed in any way.