



Josh Stein, Governor

State of North
Carolina

GOVERNOR JOSH STEIN OBJECTIONS AND VETO MESSAGE:

House Bill 87: AN ACT TO ELECT THE STATE OF NORTH CAROLINA TO PARTICIPATE IN THE FEDERAL TAX CREDIT ESTABLISHED BY THE FEDERAL ONE BIG BEAUTIFUL BILL ACT FOR CONTRIBUTIONS OF INDIVIDUALS TO CERTAIN SCHOLARSHIP GRANTING ORGANIZATIONS AND TO REQUIRE THE STATE EDUCATION ASSISTANCE AUTHORITY TO PUBLISH AND MAINTAIN AN ANNUAL LIST OF SCHOLARSHIP GRANTING ORGANIZATIONS.

School choice is good for students and parents, and I have long supported magnet and accountable charter schools because public schools open doors of opportunity for kids in every county of the state. Congress and the Administration should strengthen our public schools, not hollow them out. Cutting public education funding by billions of dollars while providing billions in tax giveaways to wealthy parents already sending their kids to private schools is the wrong choice.

However, I see opportunities for the federal scholarship donation tax credit program to benefit North Carolina's public school kids. Once the federal government issues sound guidance, I intend to opt North Carolina in so we can invest in the public school students most in need of after school programs, tutoring, and other resources. Therefore, HB 87 is unnecessary, and I veto it.

A handwritten signature in blue ink, appearing to read "Josh Stein".

Josh Stein
Governor

RECEIVED FROM GOVERNOR

Date: 8.6.2025

Time: 4:02 PM

Signed: James White

The bill, having been vetoed, is returned to the Clerk of the North Carolina House on this the 6th day of August 2025, at 4:02 PM for reconsideration by that body.

produced and submitted by the Authority pursuant to subsection (a) of this section and in accordance with 26 U.S.C. § 25F, its associated regulations, or other applicable guidance issued by the Secretary of the Treasury of the United States.

(c) The Authority may enter into an agreement with other State agencies, including the Department of Revenue, to meet the requirements of this section."

SECTION 3. The State Education Assistance Authority shall comply with all federal regulations pertaining to the administration of the federal tax credit established under 26 U.S.C. § 25F to ensure that the State is eligible to participate in taxable years beginning after December 31, 2026. The State Education Assistance Authority shall establish any necessary rules by July 1, 2026, or within 120 days of the publication of federal regulations, whichever is later.

SECTION 4. In accordance with 26 U.S.C. § 25F and any applicable federal regulation and guidance, qualifying scholarship granting organizations on the list produced pursuant to G.S. 116-204(14), as enacted by this act, may provide scholarships for any qualified elementary or secondary education expense, including home school expenses, to the extent allowed under federal law.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 31st day of July, 2025.



Rachel Hunt
~~Presiding Officer~~ of the Senate
President



Allen Chesser
Presiding Officer of the House of Representatives

VETO



Josh Stein
Governor

Approved _____ m. this _____ day of _____, 2025

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Signed: 