

ENDOW IOWA | TAX CREDIT PROGRAM

The Endow Iowa Tax Credit program was created in 2004 and since then has leveraged over \$335 million in endowment gifts to support Iowa communities and charitable causes. This program has made nearly \$79 million in tax credits available to a wide variety of donors. For the past eight years, the annual tax credit limit has been \$6 million per year and each year every tax credit has been distributed. The program is administered by the Iowa Economic Development Authority (IEDA) in collaboration with the Iowa Council of Foundations (ICoF).

ENDOW IOWA TAX CREDITS:

1

OFFER A 25% STATE INCOME TAX CREDIT

to donors who make gifts to an endowed fund at a qualified community foundation* in Iowa;

2

ARE AWARDED ON A

first-come, first-served basis;

3

OFFER A MAXIMUM ANNUAL CREDIT OF

\$300,000 per taxpayer & \$600,000 per couple;

4

CAN BE CLAIMED BY

individuals, businesses, or financial institutions;

5

AND ARE NOT

transferable or refundable.

*Qualified community foundations are confirmed in compliance with the National Standards for U.S. Community Foundations.

Demand continues to grow for this worthwhile program.



ALL 2021 CREDITS
AWARDED

JAN 1, 2021



ALL 2022 CREDITS
ALLOCATED

SEPT 13, 2021



ALL NEW GIFTS
WAIT LISTED UNTIL

JAN 1, 2023

The \$6M tax credit cap has been reached earlier and earlier each year. Donors must now wait at least one full year after they have made their gift to claim their Endow Iowa tax credit.

OUR ASK FOR 2022

↑ INCREASE

the annual tax credit allocation from \$6 million/year to \$10 million/year. [IA Code §15E.305(2)]

↓ REDUCE

the maximum amount of tax credits awarded to an individual taxpayer to \$100,000 annually. [IA Code §15E.305(2)(a)]

The current maximum amount is 5% of the aggregate amount authorized (\$300,000 annually).

Our goal with these two adjustments is to make more tax credits available for more donors throughout the state. We also hope these changes would eliminate the long delays donors currently face in receiving the credit after they have made their charitable contribution.

TODAY

&

FOREVER

In FY21, Endow Iowa donors gave **\$48.8 M** TO **ENDOWED FUNDS** at Iowa community foundations.

ENDOWMENTS ARE INVESTED IN PERPETUITY

Funds will continue to grow over time, generating more charitable grant distributions each year.

In the same year, existing Endow Iowa funds distributed **\$20.4 M** IN **GRANTS**.

Grants were distributed to **OVER 4,500 NONPROFITS** and charitable causes throughout Iowa's 99 counties.

YEAR 1

Donor establishes a **\$10,000** Endow Iowa endowment fund.



Initial gift is invested.

YEAR 50

Fund grows to **\$57,000** + **\$66,000** in cumulative grants distributed



Fund has grown **12 TIMES** initial gift value.

**This illustration assumes an 8.5% return on a rolling average with a 4.5% annual payment.*

THIS INNOVATIVE STATEWIDE PROGRAM:



STRENGTHENS communities through philanthropy;



PROVIDES a new opportunity for collaboration;



LEVERAGES 4 private dollars for every public dollar invested in the program;



ENCOURAGES contributions that provide support now and in the future;



CREATES charitable giving vehicles in communities of all sizes;



DEVELOPS local community leadership; and



KEEPS DOLLARS IN IOWA and invests in Iowa's future;



positions Iowa as a **NATIONAL LEADER** in supporting and promoting philanthropy.

QUALIFIED IOWA COMMUNITY FOUNDATIONS:

Cedar Falls Community Foundation
Community Foundation of Carroll County
Community Foundation of Greater Des Moines
Community Foundation of Greater Dubuque
Community Foundation of Greater Muscatine
Community Foundation of Johnson County
Community Foundation of Northeast Iowa
Community Foundations of Southwest Iowa/Omaha Community Foundation
Fort Dodge Community Foundation & United Way

Greater Cedar Rapids Community Foundation
Greater Poweshiek Community Foundation
Keokuk Area Community Foundation
Pella Community Foundation
Pottawattamie County Community Foundation
Quad Cities Community Foundation
Siouxland Community Foundation
Waterloo Community Foundation

These community foundations, in partnership with their affiliate community foundations, serve each of Iowa's 99 counties. To locate and learn more about your local community foundation, please visit www.IowaCommunityFoundations.org.