



Department of Revenue

**Iowa's Endow Iowa Tax Credit
Tax Credits Program Evaluation Study**

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Preface

Iowa Code section 2.48 directs the Department of Revenue to review certain tax expenditures it administers. The schedule provided in this section requires a review in 2023 of the Endow Iowa Tax Credit authorized under section 15E.305. This is the Department of Revenue's third evaluation study completed for this expenditure. Prior studies of the Endow Iowa Tax Credit were completed in 2013 and 2018.

As part of the evaluation, an advisory panel was convened to provide input and advice on the study's scope and analysis. We wish to thank the members of the panel:

Don Dursky	Iowa Economic Development Authority
Liesl Eathington	Iowa State University
Hayley Crozier	Iowa Economic Development Authority
Kari McCann Boutell, M.A. & CNP	President, Iowa Council of Foundations

The assistance of an advisory panel implies no responsibility for the content and conclusions of the evaluation study. This report was also reviewed by Robin Anderson, PhD, State Chief Economist and Division Administrator of the Research and Policy Division. This study and other evaluations of Iowa tax credits can be found on the [Tax Credits Tracking and Analysis Program web page](#) on the Iowa Department of Revenue website.

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Executive Summary

The Endow Iowa Tax Credit went into effect on January 1, 2003. When first enacted, the tax credit equaled twenty percent of the donations made to any permanently endowed fund within a qualified community foundation or community affiliate organization for the benefit of Iowa charitable causes. The amount of the donation could also be claimed as a charitable contribution if the taxpayer claimed itemized deductions on the Iowa tax return. Effective January 1, 2010, taxpayers were no longer able to claim the donation as a charitable deduction but in turn the credit rate was increased to 25 percent of the donation.

Endow Iowa Tax Credits, awarded by the Iowa Economic Development Authority, are subject to a fiscal year cap that has increased since the inception of the program to \$6 million effective in tax years 2012 and later.¹ For this reason, this study separates analyses of tax years prior to 2012 from later tax years. In addition, in tax year 2018, the federal Tax Cut and Jobs Act (TCJA) increased the standard deduction that can be claimed on federal tax returns. This also affected the deductibility of charitable donations. The effect of the TCJA and also the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and 2021 will be explored in this study, and tables for 2018 to 2022 will be shown separately from the other tax year periods.

The Endow Iowa Tax Credit can be claimed against corporate income, individual income, franchise, insurance premium, and moneys and credits taxes. The Endow Iowa Tax Credit is nonrefundable but does have a carry forward of five years.

The major findings of the study are these:

Endowment Fund Tax Credits Around the United States

- There are currently six states, including Iowa, which award tax credits for contributions made to qualified endowment funds. The five other states that have tax credits are Kentucky, Maryland, Mississippi, Montana, and North Dakota. Mississippi is the only state to add a tax credit since the last evaluation study was completed in 2018.

Endow Iowa Tax Credit Awards

- The highest number of Endow Iowa Tax Credit awards was issued in 2015, when the number reached 4,416. Between 2004 and 2011, the average number of awards each year was 1,398. When the program cap was increased to \$6 million in 2012, the average number of tax credit awards between 2012 and 2017 was 3,553. The average number of awards per year fell to 2,659 for the period from 2018 to 2022.

¹ To relieve a backlog of tax credit applications, the limit was increased to \$13 million for tax year 2023 only, through HF710. Awards for tax year 2023 are not included in this study.

- Since the inception of the program through year 2022, nearly \$360 million in donations have been made by taxpayers awarded the Endow Iowa Tax Credit. Over the lifetime of the tax credit, the average donation has been almost \$7,900. The average donation has varied from \$8,648 from 2003 through 2011; \$6,712 from 2012 through 2017; and \$9,025 for the period 2018 to 2022. Thus, while the average number of awards fell in the latter period, the average donation per donor rose. The possible impact of the Tax Cut and Jobs Act (TCJA) and Coronavirus Aid, Relief, and Economic Security (CARES) Act will be discussed throughout this study, and in section VI.

Characteristics of Endow Iowa Tax Credit Award Recipients and Foundations

- On average, 10.4 percent of awards each year are issued to business entities, and 89.6 percent are issued to individuals. The average award to businesses was \$2,499 overall, while the average individual award was \$1,816. For both types of taxpayers, the highest average award occurred in the period 2018-2022 (\$3,194 for businesses and \$2,176 for individuals).
- Less than 30 percent of households receiving the tax credit have donated to a qualified community foundation in more than two years between 2006 and 2022. About 2.7 percent of households made qualified donations in ten or more years, and less than 1 percent made donations in 13 years or more.
- The distribution of households receiving the tax credit by age is heavily weighted to those age 65 and over, and this percentage has increased in each period examined in this report.
- The distribution of participating households by adjusted gross income (AGI) was examined to detect patterns of change in awards by AGI over the years. It was found that the number and amount of donations increased in at least one of the top three tiers of AGI in each period, although the distribution among the top three tiers varied from period to period.
- The average number of awards issued to taxpayers participating in the Endow Iowa tax credit decreased by nearly 900 donors per year, or 25 percent, between the periods of 2012 to 2017 and 2018 to 2022. The total amount of donations, however, kept pace with or exceeded the maximum eligible for tax credit awards, with the \$6 million award cap being met in each year.² This has resulted in an increase in the average donation per taxpayer of 34 percent, along with a longer claim period over which tax credits have been applied against tax liability (from three-quarters claimed in the first two years, to three-quarters claimed in three years or more). As more claims are processed from recent tax years, however, the percentage claimed may increase.

² The cap was exceeded in 2023, prompting a temporary increase in the cap to \$13 million. That time period, however, is out of scope for this study.

- The distribution of awards by foundation was analyzed to detect patterns of high awards compared to the overall average in each period, as well as the averages compared to prior periods. In each case, the number of foundations with awards above the average held steady between the periods of 2012 to 2017 and 2018 to 2022, although the average donation per year declined over all active foundations.
- The distribution of award recipients by residence in urban and rural counties was examined. Both the number of awardees and average award size fall heavily toward those residents of urban counties, although rural counties more consistently account for average awards in the top ten of all counties.

Analysis of Endow Iowa Tax Credit Claims

- Total tax credits applied against tax liability over tax years 2006 through 2022 equals \$68.3 million, with \$6.2 million expiring. Of the tax credit awards where carry forward periods have been exhausted (those issued between 2006 and 2016), an average of 12.7 percent of issued awards expired rather than being claimed. Some tax credits expired because taxpayers did not have sufficient tax liability (or no liability due to out-of-state residency) against which to apply the tax credits, while other tax credits expired because taxpayers failed to claim awarded tax credits (Gullickson and Kiolbasa (2018)).

Federal Tax Law Changes' Effects on Donors to the Endow Iowa Tax Credit

- The Tax Cuts and Jobs Act (TCJA) of 2017 made numerous changes to the federal income tax calculations effective for tax year 2018. Two major changes were the near doubling of the standard deduction and the institution of a \$10,000 cap on state and local tax (SALT) deductions for those who continue to itemize deductions at the federal level.
- As a result of the increase in the standard deduction under the TCJA, most taxpayers would have found it less beneficial to itemize deductions, including charitable contributions. Accordingly, charitable contributions were expected to decline. While this effect was found in a nationwide analysis, the effect on the Endow Iowa tax credit was mixed. While the average number of tax credit awards decreased in the period 2018 to 2022, the total of eligible donations exceeded the maximum of tax credits allocated each year, making it necessary to delay the issuing of certificates to taxpayers in the years following their donation (e.g. a donor who gave in 2019 may not have received a tax credit until 2020).
- In response to states trying to skirt the SALT cap by establishing high tax credits for donations, the IRS ruled that only the portion of donations above the state tax credit would be eligible to itemize as a charitable contribution. Given the high share of Endow Iowa Tax Credit claimants expected to still itemize deductions at the federal level, those rule changes would impact many Endow Iowa donors by making it less advantageous to make donations at lower levels than before the rule change. This seems to have been borne out in the pattern of higher average awards in 2018 and

2019, compared to the period 2012 to 2017. (There was a temporary rise in average awards in 2017, however, when taxpayers took advantage of deductions available at the then-higher tax rates).

- Another factor affecting donation patterns may be the CARES Act of 2020 and 2021. This law enabled certain charitable donations to be newly qualified for tax deductions. This could have had the effect of encouraging smaller donations (\$300 for single taxpayers and \$600 for married taxpayers filing jointly) to non-profit organizations. However, an *increase* in the number of donations of this size was *not* demonstrated for Endow Iowa-eligible foundations, but there was a *decrease* in donations of this size after 2021.
- The CARES Act also contained a provision that expanded deductibility of charitable gifts from 60 percent of income to 100 percent of income. In a nation-wide analysis, this had the effect of shifting deduction of donations toward higher-income taxpayers. This was found with Endow Iowa awards as well.

I. Introduction

The Endow Iowa Tax Credit began in 2003 in an effort to spur philanthropy across Iowa, and increase planned gifts, with the byproduct of reducing the transfer of wealth to heirs living outside of the state. Participating community foundations help to manage endowment funds which then offer grants to local charitable organizations, causes and concerns. Establishing an endowment fund allows an individual to create a fund that supports a particular area of interest for the individual. The individual can then receive a tax credit award for donations to that fund. Taxpayers can also contribute to existing funds which align with their interests. These interests vary from the arts, scholarships, community betterment, and the support of other public goods and services.

Section II of the study discusses the Endow Iowa Tax Credit and how it works. Section III provides information about similar tax credits in other states. Section IV contains a review of literature on the topic of community foundations and endowment funds. Section V has analyses of Endow Iowa Tax Credit awards and claims. Section VI presents an analysis of how federal tax law changes may have impacted donors to the Endow Iowa Tax Credit, and Section VII concludes the study.

II. The Endow Iowa Tax Credit

The Endow Iowa Tax Credit went into effect on January 1, 2003.³ The Endow Iowa Tax Credit can be claimed against corporate income, individual income, franchise, insurance

³ Awards tracking in this study begins in 2004, using data from the Iowa Economic Development Authority.

premium, and moneys and credits taxes.⁴ The Endow Iowa Tax Credit is nonrefundable but does have a carry forward of five years allowing credits to be claimed in five additional tax years or until depleted, whichever comes first. The credit is also nontransferable. When first enacted, the tax credit equaled twenty percent of donations made to any permanently endowed fund within a qualified community foundation or community affiliate organization for the benefit of Iowa charitable causes. The amount of the donation could also be claimed as a charitable contribution if the taxpayer claimed itemized deductions on the Iowa tax return. With the support of the community foundations, legislation was enacted effective January 1, 2010, which eliminated the ability for taxpayers to claim the donation as an itemized deduction on the Iowa return, but in turn the tax credit rate was increased to 25 percent of the donation. (The donation can still be claimed as a charitable contribution on the taxpayer's federal income tax return; see Section VI for more discussion of recent changes in federal income tax rules.)

The process by which an Endow Iowa tax credit certificate is issued is illustrated below. First, donors make a gift to an endowed fund at a National Standards accredited community foundation of the donors' choosing. The foundation then invests the funds in investment vehicles which allow the fund's value to grow. A portion of funds is then distributed to local charitable causes on an annual basis, as directed by the donor or as allocated by each foundation's board of directors. A tax credit certificate from the Iowa Economic Development Authority (IEDA) is issued to the donor for 25 percent of the value of the donation, which the donor/taxpayer may apply against their income tax liability for a total of five years. Note that donations may be made in one year, but the tax credit certificate may not be issued to the donor until a subsequent year if the statutory maximum of the Endow Iowa tax credit has already been allocated in the donation year.⁵ Each fiscal year, the Endow Iowa Tax Credit allocation is replenished at the maximum allowed under the statute.

⁴ The moneys and credits tax is imposed under Iowa Code section 533.24 on credit unions conducting business in Iowa.

⁵ Under the former administrative rules of the Endow Iowa Tax Credit, a waitlist was allowed to be created for subsequent award years once the cap for a current award year had been completely allocated. Beginning with tax year 2023, the waitlist has been eliminated and only tax credit certificates on donations up to the statutory cap in the donation year will be issued.

Flow of Funds from Endow Iowa Tax Credit Recipients To Community Foundations and Local Charitable Causes



Source: Iowa Council of Foundations

As an example of how funds are distributed from donors to local organizations under the Endow Iowa program, a donor living in Linn County may make a gift to the Greater Cedar Rapids Community Foundation, but the funds may be used, at the direction of the donor, to benefit their alma mater in Johnson County and to a project in the hometown where they were raised in Calhoun County (McCann Boutell, 2023).

Another program enacted with the same goals in mind was the County Endowment Fund Program created in 2004.⁶ The County Endowment Fund Program also contributes to, and is administered in partnership with, community foundations eligible for the Endow Iowa Program, but because it is a separate program it will not be discussed at length in this study. A map of counties served by the County Endowment Fund Program is displayed in Figure 1. The same 13 community foundations listed in the map are also partnered with the Endow Iowa Program, and in addition there are four foundations listed separately that are eligible for donations through the Endow Iowa Program.⁷

⁶ The County Endowment Fund Program is funded from the State's gaming tax revenues and is available on a yearly basis to counties that do not hold a State issued gaming license.

⁷ In addition to the thirteen community foundations listed in Figure 1, there are four additional standalone nationally accredited community foundations (the Cedar Falls Community Foundation, the Pella Community Foundation, the Community Foundation for Western Iowa, and the Waterloo Community Foundation) that are able to receive Endow Iowa-eligible gifts.

When the tax credit was first enacted, the tax credit award cap of \$2 million was set for all awards made during 2003 and 2004 combined. The tax credit cap was increased to \$2 million for each year from 2005 through 2007. In 2008 and 2009, the amount of the tax credit cap was increased again when, in addition to the existing \$2 million cap, a percentage of the tax imposed on the adjusted gross receipts from gambling games was allocated to the credit.⁸ The portion of gambling receipts continued to be available in 2010 and 2011, when the base tax credit cap was raised to \$2.7 million and \$3.5 million, respectively. During the 2013 Legislative session, the tax credit cap was increased to \$6 million, and gambling receipts were eliminated as a source of award funds. The change to the tax credit cap in 2013 was made retroactive to calendar year 2012 awards because the demand for credits had exceeded the original cap for 2012. A similar circumstance occurred in 2023 when demand for credits exceeded the cap of \$6 million. A portion of gambling receipts in the amount of \$7 million was made to the fund for 2023 and the cap was raised to \$13 million so that excess demand could be met in that year. Awards and claims made in 2023, however, are not included in this study.

In addition to the program cap, there is also a taxpayer award cap. Taxpayers are limited to an award amount equal to five percent of the aggregate annual tax credit cap, which equaled \$300,000 for donations. This cap was in effect from 2012 until 2023, when the cap was decreased to \$100,000.⁹ Ten percent of the aggregate annual award limit is reserved for gifts in amounts of \$30,000 or less each year to ensure small donors receive credits. However, if after September 1 of each year, the entire ten percent has not been awarded, the remaining tax credits are available to any size gift.

III. Endowment Fund Tax Credits Around the United States

There are currently six states, including Iowa, which award tax credits for contributions made to qualified endowment funds. The five other states that have tax credits are Kentucky, Maryland, Mississippi, Montana, and North Dakota. There are also several states that had similar tax credits which have been repealed or have sunset (see Table 1) and others with more restrictive, targeted credits and deductions (National Council of Nonprofits, 2023).

Michigan was the first state to enact a tax credit for donations made to endowment funds. The Community Foundation Tax Credit was enacted in 1989 and the tax credit was equal to fifty percent of the contribution made to a certified community foundation. There was no annual program cap, but there was a taxpayer cap, whereby individual taxpayers were limited to a tax credit of \$100 for a single taxpayer or \$200 for taxpayers who are married

⁸ Section 99F.11 (3) Code of Iowa 2011 stated one-half of the moneys remaining after five hundred twenty thousand dollars is appropriated to the Department of Cultural Affairs shall be credited, on a quarterly basis, to the general fund of the state for the purpose of funding the Endow Iowa Tax Credit.

⁹ Effective January 1, 2023, the aggregate limit for a single taxpayer in a tax year was changed to \$100,000. This study, however, only captures the effects of the tax credit through the end of tax year 2022, so this change does not affect the current analysis.

and filing jointly. For corporate taxpayers, the cap was five percent of tax liability or \$5,000, whichever was less. For estates or trusts, the cap was ten percent of tax liability or \$5,000, whichever was less. The credit was nonrefundable and had no carry forward provision. The donation was also not eligible to be taken as an itemized deduction on the state income tax return (Johnson Center for Philanthropy, 2015). The tax credit for individuals was repealed effective tax year 2012, but was retained at the corporate level under the Michigan Business Tax Act of 2011 (Michigan Department of Treasury, 2017).¹⁰

Montana was the next state to enact an endowment tax credit in 1997. The Montana Qualified Endowment Tax Credit is not a permanent tax credit, but it has been renewed at regular intervals, with a current sunset date of the end of calendar year 2025. There is no annual program award cap, but there is a taxpayer cap of \$10,000. The amount of the credit for an individual taxpayer equals forty percent of a planned gift's value that can be claimed as a federal charitable deduction.¹¹ A direct gift made by a business is eligible for a twenty percent tax credit. The tax credits are nonrefundable and cannot be carried forward. Qualifying donations are not eligible to be taken as an itemized deduction on the state income tax return.

All other states, including Iowa, enacted their state endowment fund tax credits after 2000. The Endow Iowa Tax Credit was enacted in 2003, followed by the Nebraska Charitable Endowment Tax Credit which was enacted in 2006 but sunset in 2009. The Nebraska credit was equal to fifteen percent of planned gifts by individuals, S corporations, partnerships, and limited liability companies and ten percent of any contribution by C corporations. There was no annual program cap, but corporations were limited to \$5,000 and individual taxpayers were limited to \$5,000 for single filers and \$10,000 for taxpayers who are married filing jointly. Qualifying donations were not eligible to be taken as an itemized deduction on the state income tax return.

North Dakota enacted the Tax Credit for Planned and Deferred Gifts in 2007. Deferred gifts to nonprofit organizations (including community foundations) qualify for the tax credit. In 2011, North Dakota also enacted the Tax Credit for Endowment Gifts. The second tax credit made it possible for direct donations to endowment funds to qualify for a tax credit, although individuals must make a minimum donation of \$5,000 in order to qualify. The amount of the tax credits equal forty percent of the deferred gift or direct contribution up to \$10,000 for corporations and up to \$10,000 for single filers and \$20,000 for taxpayers who are married filing jointly. Both tax credits are nonrefundable, but have a carry forward period of four years and three years, respectively. Qualifying donations are not eligible to be taken as an itemized deduction on the state income tax return.

¹⁰ For an expanded discussion of the effect of the repeal of the Michigan endow tax credit for individuals, see the Literature Review section in this study, which was excerpted from the 2018 Endow Iowa Tax Credit study (Gullickson, 2018).

¹¹ A planned gift is defined as an irrevocable contribution to a permanent endowment held by or for a tax-exempt organization which means the charity receives assets either in the future or over time (Dodds, 2012). Individuals are not able to make direct contributions and receive the credit.

Kansas enacted the Regional Foundation Tax Credit in 2004. The deduction was seventy-five percent of a qualified gift to an approved regional foundation. Kansas, like Iowa, had an annual program cap. In fiscal year 2012 the cap was \$2 million. It was also the only state that offered a refundable tax credit and did not have a taxpayer cap. The donations were not eligible to be taken as an itemized deduction on the state income tax return. The tax credit was repealed in 2012. However, in 2013 when Kansas enacted reductions to income tax rates in combination with capping itemized deductions, they chose to preserve the deductions for charitable nonprofits, thus demonstrating a preference for tax incentives for charitable donations even in the absence of the tax credit (Gullickson, 2018).

Kentucky enacted a tax credit for donations to endowment funds in 2011. The Endow Kentucky Tax Credit originally had an annual program cap of \$500,000 per year, but it has been raised to \$1 million for fiscal year 2019. The credit is equal to twenty percent of the qualified donation with a per taxpayer cap of \$10,000. The tax credit is nonrefundable, but can be carried forward for five years. Unlike other credits of this type, Kentucky also allows the donation to be claimed as a charitable contribution against state income taxes.

Maryland enacted the Endow Maryland Tax Credit in 2014 for donations of \$500 or more to a “qualified endowment fund”. The credit is twenty-five percent of the donation amount with a cap of \$50,000 in any given tax year for individuals and businesses. The credit is nonrefundable with a five-year carry forward for excess credits not applied against tax liability in the donation year (Maryland, 2023).

Mississippi enacted the Endow Mississippi Tax Credit in 2019, and expanded it in 2023. It currently allows tax credit for donations of \$1,000 to \$500,000 to a qualified community foundation. The credit is twenty-five percent of the donation amount with a cap of \$100,000 in credit per tax year for individuals and businesses. The credit is nonrefundable with a five-year carry forward for excess credits not applied against tax liability in the donation year. The current law sunsets at the end of calendar year 2028 (Mississippi, 2023).

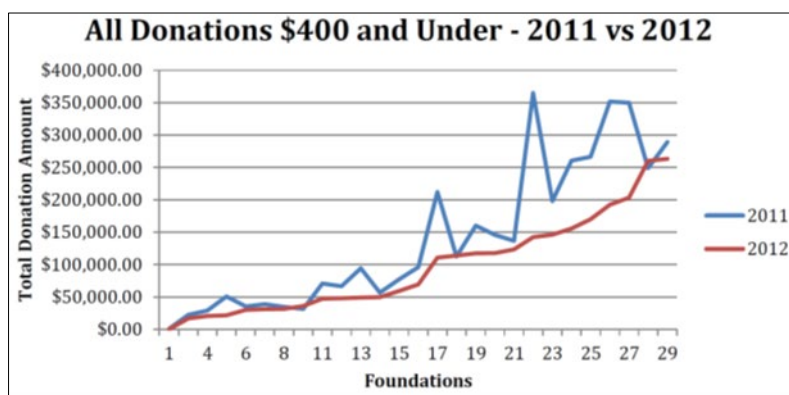
Some states, such as Arizona and Missouri, do not have a full endowment contribution tax credit, but do allow tax credits for contributions to specific targeted causes such as hunger relief, child advocacy or homeless shelters (National Council of Nonprofits, 2023).

IV. Literature Review¹²

The effectiveness of granting tax incentives to encourage charitable donations by individuals and corporations is supported by empirical evidence, as shown below.

¹² A complete literature review from the 2018 Endow Iowa Tax Credit study by Angela Gullickson can be found at <https://tax.iowa.gov/sites/default/files/2019-08/EndowIowaEvaluationStudy2018.pdf>. This report contains excerpts from that study.

The elimination of the Michigan tax credit in 2012, for example, provides some evidence of the effectiveness of tax credits in supporting endowments. According to USA Today (2013), the 2012 elimination of the Michigan 50 percent tax credit (with a maximum credit of \$200 for a couple, \$100 for an individual, and \$5,000 for a business) resulted in a significant decrease in donations. Donation information was received from 27 of the 31 community foundations in Michigan. Many foundations had reported expectations of steady donations after the repeal, believing that existing donors would continue at the same level (Johnson Center, 2013). However, across foundations, in the year after the credit was repealed the average decrease in total donations made by individuals or couples was \$43,481, or 27.2 percent with a total loss in donations reported across all community foundations in Michigan of more than \$1.15 million (USA Today, 2013). Small donations were impacted most, with many foundations reporting significant reductions in donations of \$400 and under, as these were the donors targeted by the tax credit.



Source: Impact on Giving After the Repeal of the Michigan Community Foundation Tax Credit, Johnson Center for Philanthropy, 2013

The Endow Iowa Tax Credit is capped at \$6 million in tax credits against more than \$24 million in donations. A 27 percent reduction in donations would be a loss of more than \$6 million in gifts to Iowa's community foundations and affiliates through the Endow Iowa program.

Further evidence of the impact of tax incentives is provided in analysis by The Tax Foundation (Hodge, 2022). When the TCJA went into effect in 2018, the number of itemizers who claimed the charitable deduction dropped by 60 percent from 2017 to 2018, and the overall amount of charitable deductions fell 25 percent. This temporary decline was likely the result of a shift in timing of donations from 2018 to 2017, when tax rates were relatively higher and when it was more beneficial to claim deductions at the higher tax rate (and the threshold for claiming deductions was lower).

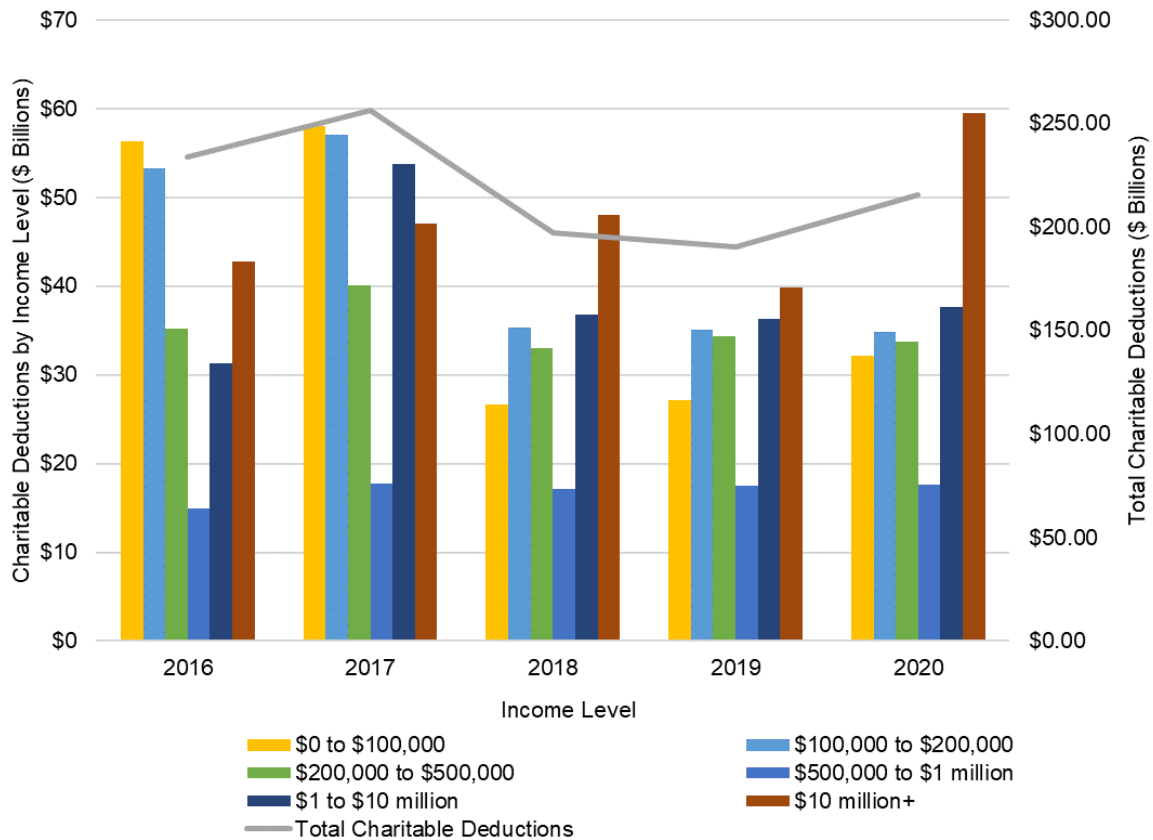
In Hodge's analysis, it was in the distribution of charitable deductions by income level that the differences before and after the enactment of the TCJA were most fully distinguished. From 2017 to 2018, charitable deductions fell 54 percent for taxpayers who earned less than \$100,000 and claimed the deduction. For those earning between \$100,000 and \$300,000, the decline was 40 percent.

In another study cited by Hodge (Giving USA, 2022), it was found that despite a drop-off in the level of giving from 2017 to 2018, overall giving levels were roughly maintained at the 2016 levels, after adjusting for inflation.

In addition to tax credits, another legislative device to support charitable giving is the income tax deduction. In federal tax code, the latest enactment of this method can be found in the CARES Act. Under the provisions of this act, charitable contributions could be deducted from income at a maximum of \$300 for individuals and \$600 for married individuals filing jointly (the latter taking effect for tax year 2021). Moreover, it raised the deduction limit of charitable gifts from 60 percent of income to 100 percent. While this act was short-lived (first effective for the 2020 tax year, and renewed for 2021), Hodge demonstrates that its benefit was largely realized at income levels of \$10 million or more, where total charitable deductions far exceeded other income class levels in 2020, and exceeded the amounts in every other income level and tax year as well (see graph below). Indeed, the effects of the TCJA are seen as well, in the reduced giving level in nearly all income levels in 2018, compared to 2017. It is also evident that in the years before the TCJA, 2016 and 2017, income levels of less than \$200,000 had the highest levels of charitable deductions.

The pattern of higher levels of giving at higher income levels is also seen in the Endow Iowa history, as will be shown in subsequent analysis in this report.

Total Charitable Deductions in U.S. by Income Level and Tax Year



Source: IRS, adapted from Hodge, 2022.

V. Analysis of Endow Iowa Tax Credit Awards and Claims

A. Endow Iowa Tax Credit Awards

Each county in Iowa is currently associated with one of the seventeen nationally accredited Iowa community foundations to which taxpayers can donate funds that would qualify for the Endow Iowa Tax Credit. There are over 110 affiliate organizations that work with these nationally accredited, host community foundations to administer endowment funds. Many of these relationships are established through the County Endowment Fund Program (see Figure 1).

Since the inception of the Endow Iowa Tax Credit, over \$86.7 million of tax credit awards have been issued for nearly 46,000 endowment fund contributions (see Table 2).¹³ The

¹³ It should be noted that these are not necessarily the number of individuals or households, but the number of tax credit certificates issued. An individual or household can receive multiple tax credit certificates in a single year for several reasons. One reason is that some taxpayers choose to make several donations to one endowment fund throughout the year which generates multiple certificates. Second, some individuals choose to donate to more than one endowment fund, in which case the taxpayer is issued separate tax

highest number of Endow Iowa Tax Credit awards was issued in 2015, when the number reached 4,416. Between 2003 and 2011, the average number of awards each year was 1,398. When the cap was increased to \$6 million in 2012, the average number of tax credit awards from 2012 to 2017 increased by 150 percent to 3,553. From 2018 to 2022, the average number of awards each year fell to 2,659. This decrease, however, was not uniform in each year, as awards in the early years of the latter period were made for donations made in 2017, as discussed below.

Starting in 2017, there was a significant lag between the time donations were made and tax credit certificates were issued (see Figure 2). This was due to the tax credit program having met its cap of \$6 million while applications were being submitted for donations in the same year. A waitlist was created for taxpayers to be awarded certificates for donations made in a previous year. Over the years 2018 through 2022 awards were distributed to taxpayers on the waitlist. In 2023, the waitlist was ended, and additional funds were made available to take care of the backlog. In subsequent years, awards will be distributed only up to the statutory cap for donations made within the prior twelve months and further awards will not be available until new credits are allocated in the following fiscal year.

From tax year 2003 through tax year 2022, taxpayers have donated nearly \$360 million toward eligible foundations and have been awarded the Endow Iowa Tax Credit (see Table 3). Over the lifetime of the tax credit, the average donation has been almost \$7,900. However, the average donation has changed significantly since the tax credit cap increased to the current \$6 million. Between 2003 and 2011, when the cap was less than \$6 million, the average donation was \$8,648. Once the tax credit cap was increased to \$6 million, and before the TCJA took effect in 2018, the average donation fell to \$6,712, indicating that as the cap increased, a larger number of tax credits went to taxpayers with relatively smaller donations. This appeared to be especially true in award years 2014 through 2016, when the median donation was between \$334 and \$400, compared to former years' medians of at least \$500. The average donation fell as well, from over \$7,000 in most years, to just under \$6,000 in 2016. The average donation size recovered to \$8,538 in 2017, followed in subsequent years by amounts sufficient to bring the average donation in the period 2018 through 2022 to \$9,025. In 2018 alone, average donations fell to \$6,987, before rising again in 2019. There were several factors that may have contributed to this which are discussed in the section titled "Effect of Federal Tax Law Changes."

Because a taxpayer is limited to an award amount equal to five percent of the aggregate annual tax credit cap, since 2012 the maximum qualifying donation allowed has been \$1.2 million which results in a \$300,000 credit (see Table 4). Because the tax credit cap was raised retroactively in 2012 there were no donations of \$1.2 million in that year, but there were two donations made that met the maximum donation limit before the tax credit cap was increased. Since 2012, the maximum donation has been made in each of seven years, for a total of 18 donations (see Table 4).

credit certificates. Third, it is also possible that both spouses in a household make donations and each spouse receives separate tax credit certificates.

On the opposite side of the donation spectrum, ten percent of the aggregate annual award limit each year is reserved for donations of \$30,000 or less. The share of donations under that limit has exceeded the required ten percent in every award year (see Table 5). On average, the share of donations each year that are smaller than \$30,000 is 27 percent. The average donation for those under the threshold is \$2,182 while the average donation over the \$30,000 threshold is \$147,900. Recall from Table 3 that the median donation in most years has been \$500 or less, indicating that at least half of donations have been for amounts equal or smaller than that level, which is far below what the program designates as a small donation. In recent years (since 2020), the share of donations below \$30,000 has declined, from about 32 percent in 2020 to just over 20 percent in 2022. This trend also factors into the increase in average donation size over the same period (see discussion of Table 3, above).

B. Characteristics of Endow Iowa Tax Credit Award Recipients

The first characteristic considered is the distribution of Endow Iowa awards between business entities and individual taxpayers. Note that the remainder of this analysis focuses on awards and claims beginning in 2006, the inception of the Tax Credit Tracking Analysis Program at the Department of Revenue. On average, 10.4 percent of awards each year are issued to business entities including C corporations, banks, credit unions, and pass-through entities (see Table 6). This percentage did not differ significantly between the early years of the program when the tax credit cap varied and since 2012 when the cap has been set at \$6 million. The biggest difference between the early years and recent years related to business entities can be seen in the average award issued to businesses. Between 2006 and 2011, the average award to business entities was \$2,692; and from 2012 to 2017, the number of awards to businesses more than doubled and the average award decreased to \$1,998. Since 2018, however, the number of awards to businesses has declined while the average award has increased to nearly \$3,200. Similarly, with individuals, the average award was \$1,693 from 2006 to 2011, and \$1,650 from 2012 to 2017. Since 2018, however, the number of individuals has declined while the average award has grown to nearly \$2,200. This indicates that while fewer businesses and individuals are participating in the program, the amount of donations per awardee has increased.

Further analysis will be directed toward the household, rather than the individual level. In order to analyze awards on a household basis, the awards had to be aggregated by household so if a contributor (or their spouse) received more than one tax credit award within a tax year, only one household award amount (equal to the total of the separate awards) appears in the dataset. Tax credit awards to taxpayer households were matched to tax returns filed in the same year of the award. Some households that receive tax credits never file tax returns because they fall below the required filing threshold and therefore, those taxpayers were unable to be matched to filed tax returns. For awards made between 2012 and 2017, about 98 percent or more of the number of awards to individuals can be matched to a tax return (see Table 7). During that same period, in almost every year, over 99 percent of the dollar amount of awards to individuals was able

to be matched to a tax return. That percentage has declined in recent years, though, and may reflect the longer period of redemption that is occurring, which will be discussed later in this study, or it may be attributable to incomplete tax return data for recent filing years. Over all the years included in the study, 98 percent of award dollars was matched to individual tax returns. Of the 39,417 awards issued to individuals between 2006 and 2022, 38,539 were able to be matched to 28,548 unique households.

One question that often arises is whether it is the same people donating to community foundations year after year or if there are new taxpayers donating each year. The persistence of donations shows that the majority of participating households have donated only once in the seventeen years covering award years 2006 through 2022 (see Table 8). In fact, less than 30 percent of participating households have donated in more than two years between 2006 and 2022. About 14.2 percent made donations in 5 years or more, 2.7 percent of participating households made donations in ten or more years, and less than 1 percent made donations in 13 years or more.

The age distribution (as determined by the primary taxpayer) of participating households in each of the three award periods is displayed in Table 9. In each period, most of the taxpayers fall in the age group of 65 and over in both percent of count and percent of award amount. As shown, an increase in the percentage of the count for age 65 and over occurred over each of the different periods, starting from 44 percent in 2006-2011 and increasing to nearly 61 percent in 2018 to 2022, while the age groups 45 to 54 and 55 to 64 saw a decrease of similar proportions. While this suggests that the same cohort of taxpayers is responsible for the change in representation, it could also be that new taxpayers are participating in the program at older ages than previously was the case. (As shown in Table 8, the recurrence of donations by the same households in five or more years is under 15 percent. It was not determined if repeat donors occurred in this proportion or higher in these particular age groups.) Whatever the cause, the profile of participating taxpayers is trending toward the higher age group. The percentages in the higher age groups exceed the state-wide age profile over the same period (Iowa Data Center, 2022).¹⁴ This trend in aging of donors is found nationwide as well. According to the Blackbaud Institute (2022), the average donor age has increased from 62 to 65 since 2016.

The following analysis is based on individual tax return information from tax years 2006 through 2022, matched to the award data for the corresponding year.¹⁵ Clearly, taxpayers who receive Endow Iowa Tax Credit awards tend to have higher AGI than other taxpayers (see Figure 3).¹⁶ This can be seen in awards made in all years of the program. The number and distribution of awards by tax period overall and by AGI category, however,

¹⁴ The statewide estimated change in population for ages 65 and over was an increase in 1 percent in each period from 2007-2011, 2012-2016, and 2017-2021.
<https://www.iowadatacenter.org/index.php/data-by-source/american-community-survey/age-sex-total-population>.

¹⁵ If taxpayers used the filing status of married filing separately on the same return, both spouses' adjusted gross incomes were summed to create a household Iowa adjusted gross income (AGI).

¹⁶ The adjusted gross income amounts in all tax years are nominal. Note that Iowa excludes some income from AGI, including all Social Security benefits and some pension benefits.

did exhibit changes between periods. As shown in Tables 10a and 10b, there were twice as many households (13,992) annually receiving awards after the increase of the tax credit cap in 2012, when compared to the prior period (6,991) (see Table 10a). The biggest shift in the number of households occurred in the \$75,000-\$99,999 range, where relatively fewer households (9.5 percent compared to 10.7 percent) made donations when compared to those in the \$250,000-\$499,999 range (14.7 percent compared to 13.6 percent) (see Table 10a). The total number of households participating in the program declined by nearly 40 percent in the period after the TCJA took effect in 2018 (8,730 from 2018 to 2022) when compared to 2012 to 2017 (13,992) (see Table 10b). This decline occurred despite the sharp rise in the delay between donations and awards between 2017 and 2018, when over 90 percent of donations by taxpayers that were awarded a tax credit in 2018 were made in prior years (mainly 2017) (see Figure 2).¹⁷ Again, a shift occurred in the distribution of households by AGI range; this time the two ranges comprising \$100,000-\$149,999 AGI had relatively fewer participating households (from about 17 percent, down to about 15 percent), compared to the number in the \$250,000-\$999,999 ranges (from about 22 percent, up to about 26 percent).

The higher floor on itemized deductions due to the TCJA may have compounded a shift away from the number of middle-income households participating in the program toward a greater number of higher-income households participating. However, there are other factors contributing to this shift, such as the year over year rise in stock prices (as measured by the S&P 500) of 31.5 percent in 2019, 18.4 percent in 2020, and 28.7 percent in 2021 (Knueven, et al., 2023). This effect was likely two-fold. Higher income households are more likely to have benefitted from the rise in stock prices, and the rise in prices may have prompted gifting of highly appreciated securities to avoid the negative tax effects of capital gains (McCann Boutell, 2023).

An additional factor contributing to the shift in fewer donations and toward higher-income household participation is the CARES Act of 2020 and 2021. This law was designed to encourage donations to charitable causes that may have been struggling due to income losses from the economic downturn due to the COVID-19 pandemic. It achieved this by authorizing income deductions for charitable donations up to \$300 for single taxpayers, and, effective in tax year 2021 up to \$600 for married taxpayers filing joint returns, regardless of itemization status. Through this lower threshold for deductions, one could assume that the law would have encouraged giving to charitable foundations at the lower donation levels. However, it did not appear to have had this effect on Endow Iowa donations, as the number of taxpayers donating at the lower level in 2020 and 2021 was not higher than in previous years, although the percentage was marginally higher in 2021, when the \$600 deduction took effect for tax year 2021. In 2022, on the other hand, the percentage of taxpayers donating at this level dropped off markedly (see below).

¹⁷ The increased occurrence of donation activity in 2017 can possibly be attributed to households taking advantage of the increased tax advantage afforded prior to the TCJA taking effect.

Endow Iowa Donations Under \$600 Prior to and After the CARES Act of 2020 and 2021

Donations under \$600		
Award Year	No. of donations	% of Total
2017	1,669	59%
2018	1,950	57%
2019	1,814	57%
2020	1,302	56%
2021	1,383	58%
2022	1,011	52%

Source: Iowa Economic Development Authority

In addition to a shift in the *number* of participating households by income level, the *amount* of donations by household AGI was also examined. From 2012 to 2017, households with more than \$1 million in adjusted gross income accounted for over five percentage points more of the amount of money donated when compared to the prior period of 2006 to 2011, while relatively less money donated came from households earning \$250,000 to \$499,999 (see Table 10a). During both time periods, households donated about 2.4 percent of their adjusted gross income, with lower income households donating a higher percentage of their AGI, especially in the latter time period, as seen in Table 10a.

From 2018 to 2022, the percentage of donations again shifted; this time, however, the distribution of donation amounts by AGI shifted *away* from households with income of \$1 million or more (51 percent to less than 48 percent), *toward* those with income of \$250,000-\$499,999 and \$500,000-\$999,999 (26 percent to 31 percent) (See Table 10b). It would seem the incentive of the tax credit is not as great at the very highest income level when compared to the period before the TCJA, but there may be other factors contributing to this difference, such as another provision of the CARES Act that made donations by individuals deductible up to 100 percent of their adjusted gross income on their itemized 2020 and 2021 tax returns, and corporate donations became eligible for deductions up to 25 percent of AGI. This was an increase in donations eligible for deductibility of 40 percent over 2019 for individuals, and 15 percent for corporations (United Rehabilitation Services, 2020, and Fidelity Charitable, 2021). Overall, the percent of donation dollars per AGI is somewhat higher in the latter period, at 2.52 percent, compared to 2.40 percent.

C. Characteristics of Endow Iowa Eligible Foundations

Table 11 illustrates how the various community foundations have fared over the years in terms of average total value of donations in the years in which donors to funds were eligible for the Endow Iowa tax credit. As shown in the table, the average donation increased for many foundations over the years of their eligibility. Not only did the total of donations per year increase as the overall donation cap was raised from \$3 million to \$6 million after 2011, but the average annual donation total exceeded the previous period's

average for three-fourths of the active foundations (12) in the periods 2012-2017, compared to 2004-2011. However, only 9 foundations had similar results when average donations from 2018-2022 were compared to 2012-2017. This may be due to three more foundations participating in the tax credit program in the latter period, which caused the change in averages to be spread among more foundations.

Not only has the number of foundations with above average awards declined, there has been a decline in average donations per year during the latest period of 2018-2022 (\$368,052), compared to the prior period (\$397,479). Again, this may be the result of adding newer foundations that were less well known and may have had lower averages as a result. So, even as the average donation *per donor* has increased over the same time period, as was shown in Table 3, the average donation *per year* has decreased in the latter period. Some of the smaller foundations (Western Iowa, Carroll County, and Fort Dodge, for example), however, are going against the trend, having seen an increase in the average donation amount per year rather than a decrease. Overall, many of the larger foundations continue to exceed the average award per year in each award period by a wide margin, even though they may be experiencing lower averages per year compared to the prior award period (see Table 11). However, it bears watching as to whether the trend toward smaller yearly average donations among the larger foundations continues, concurrent with the increase in average donations per year among many of the smaller foundations.

D. Distribution of Endow Iowa Tax Credit Award by County

The distinction between rural and urban counties was used to analyze tax credit awards by county in two ways: (1) the average award amount by resident households receiving the award, and (2) the per capita award for the population of each county as a whole. The names of counties and their urban/rural designation can be found in Figure 4, as defined by the Office of Management and Budget.¹⁸ As of 2013, 79 counties were considered rural and 20 counties were considered urban. In 2018, two more counties, Boone and Jasper, were added to the urban classification. For purposes of comparison between the first two award periods (2006 to 2011 and 2012 to 2017), they will be considered rural.

Average Award Amount by Resident Households

Table 12 displays the average award amounts for each county in each award period. As previously noted, the number of households participating in the program has declined sharply in the most recent period, indicating that fewer residents had a propensity to make a qualified donation, possibly due to the higher floor to itemizing deductions under the federal tax code effective in 2018. One county, Winnebago, did not have tax credits awarded to any of their residents in any of the time periods (see Table 12). Note, however, that while one county's residents may not have made donations to qualifying foundations,

¹⁸ All counties that are not part of a Metropolitan Statistical Area (MSA) are considered rural. A metro area includes one or more counties containing a core urban area of 50,000 or more people, together with any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core. <https://www.hhs.gov/guidance/document/defining-rural-population#>
The list of urban counties was obtained from the [Iowa Data Center](#).

donations from residents in other counties may be allocated to organizations in that county or any other county. So, organizations within Winnebago County may still have received grants through the Endow Iowa program. The distribution of funds from foundations to affiliates in other counties was not explored in this study.

Over all counties the average award was \$2,239 in the period from 2006 to 2011; \$2,293 from 2012 to 2017; and \$2,707 from 2018 to 2022 (see below and Table 13). The average award among rural counties was \$979 in the first period, compared to \$2,836 among urban counties. The average award grew to \$1,374 among rural counties in the second period, while urban counties' average fell to \$2,740 in the same period. In the most recent period, the average among rural counties reached \$1,421, compared to \$3,271 for urban counties. Note that after 2018, the average award per household among rural counties went up only slightly (by 3 percent) while the average among urban counties increased significantly (by 19 percent). The higher average in urban counties highlights the drop in the number of participating households while increasing the award amount at the household level. The following table summarizes the totals and averages for households receiving the award in each period, as classified as urban or rural counties.

Summary of Households Receiving Endow Iowa Tax Credit Awards by Urban/Rural County of Residence

Urban/ Rural	Tax Credit Awards Issued Between 2006 and 2011			Tax Credit Awards Issued Between 2012 and 2017			Tax Credit Awards Issued Between 2018 and 2022		
	Number of Households	Total Awards	Average Award	Number of Households	Total Awards	Average Award	Number of Households	Total Awards	Average Award
Non-resident and Urban/Rural Totals*									
Non-resident	80	\$302,322	\$3,779	186	\$417,651	\$2,245	141	\$567,239	\$4,023
Urban	4,411	\$12,508,513	\$2,836	9,241	\$25,318,143	\$2,740	5,929	\$19,394,088	\$3,271
Rural	2,154	\$2,109,713	\$979	4,368	\$5,999,525	\$1,374	2,558	\$3,635,111	\$1,421
Totals	6,726	\$15,056,565	\$2,239	13,992	\$32,083,180	\$2,293	8,761	\$23,714,852	\$2,707

*Totals include counties with fewer than 5 taxpayers with tax credit award.

Source: Iowa Department of Revenue Endow Iowa award database and Individual Income Tax Returns

As indicated by the “repeats” designation in Table 13, between the periods of 2006 to 2011 and 2012 to 2017, there were 17 rural counties and 3 urban counties (Dallas, Polk, and Pottawattamie) that had average awards above their respective cohorts' averages in both of those time periods. For the 2018 through 2022 period, compared to the prior period, there were 19 rural counties that had above-average awards in both time periods. Among the urban counties, only one (Polk), had above-average awards in both periods. This may indicate that those rural counties that repeated have more consistent sources of donations at higher than average levels than urban counties in the respective periods. Rural counties were also more likely to be in the top ten of overall award averages than urban counties, with 8 rural counties in each of the latter two time periods, compared to only 2 urban counties in the top 10 in each period (see Table 13). This is consistent with their overall percentage of rural and urban counties in Iowa (80 percent rural and 20 percent urban).

Three rural counties (Iowa, Jefferson, and Shelby) achieved top 10 status in overall average awards in both of the earlier two periods, but none of those repeated in the last period. Two new rural counties (Buena Vista and Webster) reached top 10 status in two consecutive periods in the latter two periods. One urban county (Polk) had repeat top 10 status in all three periods. No other urban county was in the top 10 in consecutive periods (see Table 13).

Per Capita Award Amount by County

Table 14 displays the total amount awarded to each county’s residents in dollars per capita of the total county population. The average yearly award amount over the years 2018 to 2022 was used as the numerator to smooth the award distribution over the last five years, with the 2020 census as the base. As shown in the Table, among counties with at least one resident receiving an award, the per capita amount ranges from less than \$.01 to \$5.43. The distribution of counties by award amount per capita is displayed below. Detail by county is displayed in Table 14.

Endow Iowa Tax Credit Award per Capita, 2018-2022 Average

Lower Limit	Upper Limit	No. of Counties
N/A		6
\$0.00	\$0.05	21
\$0.06	\$0.25	21
\$0.26	\$0.65	19
\$0.66	\$1.50	18
\$1.51	\$5.43	14

Source: Iowa Department of Revenue Endow Iowa award database and Iowa Data Center, “Population Change in Iowa: 2010-2020” (2020 census)

It is important to note that the per capita table reflects where the donor is living, but does not reflect the full reach of their giving. As was discussed in Section II, a donor living in Linn County may make a gift to the Greater Cedar Rapids Community Foundation, so their per capita award goes toward Linn County, but the donor’s funds may benefit their alma mater in Johnson County and a project in their hometown where they were raised in Calhoun County. This map, therefore, reflects where donors are currently living but does not accurately represent the myriad ways in which counties across the state are benefitting from Endow Iowa endowment funds (McCann Boutell, 2023).

The distribution of awards per capita between rural and urban counties is displayed below. As shown, the average award per capita is much larger among urban counties, at \$1.98, compared to rural counties at \$0.61. The overall per capita award for 2018 to 2022 was \$1.45. The upward influence of urban counties on the overall average is consistent with previous observations.

Endow Iowa Tax Credit Award per Capita, Rural and Urban Distribution, 2018-2022

County Status	Average	No. of Counties
	Award per Capita	
No Award	\$0.00	6
Total Rural	\$0.61	72
Total Urban	\$1.98	21
Average Overall	\$1.45	99

Source: Iowa Department of Revenue Endow Iowa award database and Iowa Data Center, "Population Change in Iowa: 2010-2020" (2020 census)

E. Analysis of Endow Iowa Tax Credit Claims

Tax Credit Claims by Status of Claim

Table 15 displays the history of tax credit claims in their various statuses in each tax year since the implementation of the IA 148 Tax Credit Schedule in tax year 2006, through tax year 2022: from carried forward from prior tax years, to awarded in the current year, to applied (claimed), to expired, and finally to carried forward to future tax years.^{19,20} Since 2006, nearly \$68.3 million in Endow Iowa Tax Credits have been claimed against Iowa income tax liability (see Table 15, Applied Tax Credits column). Claims over award years 2006 to 2021 have averaged nearly \$4.1 million, although that average has varied by each period in the program's history. As the sum of tax credits claimed and carried forward each year varied, the amount available to be claimed varied. From 2006 to 2011 the average of applied tax credits was \$2.3 million, compared to an average available of \$4.4 million, for a total of 51.6 percent claimed. When the award cap was increased to \$6 million per year in 2012, the average amount available to be claimed increased as well due to the cumulative effects of the carry-forward amounts from prior years and the awards in each of the current years. The average available amount reached \$10.9 million per year for tax years 2012 to 2017, while the average amount claimed also increased to \$5.2 million, for a claim rate of 47.9 percent. The average available for tax years 2018 through 2021 is higher at over \$12 million, with claims averaging over \$5 million. The claim rate in the latter period is 41.3 percent, compared to an overall claim rate of 46.3 percent. Both the available amount and the claim amounts could increase as not all claims made on tax returns for these years have been entered into the database and not all tax credit claims have been verified.

Tax Credit Claims by Timing of Claim

As shown by the expired tax credits in Table 15, taxpayers do not always claim all available credits. One common reason is that taxpayers may not have enough tax liability

¹⁹ Recall that the first Endow Iowa Tax Credit awards were made for tax year 2003 while the tracking of tax credit claims began for tax year 2006. For this reason, awards and claims from 2003-2005 are not included in Tables 15-17.

²⁰ Tax year 2022 is excluded from analysis due to claims being incomplete for all tax types. Also, claims for tax year 2021 are incomplete for tax types other than Individual Income. However, those claims that were received and processed as of October, 2023, are included in totals and averages. This applies to Tables 15, 16, and 17.

to fully utilize the nonrefundable tax credits by the time the credit expires. On average, about 41 percent of newly awarded Endow Iowa Tax Credits are used to offset tax liability across all tax types in the first fiscal year, or the fiscal year in which the award was made (see Table 16).²¹ There appears to be a downward trend, however, in this percentage in the period from 2018 to 2021, as the tax credits are more spread out over ensuing fiscal years to offset tax liability. In fact, the shift from the first and second year percentage is most dramatic in the third through fifth years after the award. That's when the percentage shifts from 5.91 percent, 2.4 percent, and 1.4 percent to 9.5 percent, 6.8 percent, and 2.7 percent, respectively. The full effect, however, will not be known for some years as the entire award period matures and more claims are entered into the system.

The Endow Iowa tax credit awards can be carried forward for five additional tax years before they expire.²² Of the tax credit awards where carry forward periods are currently exhausted (those issued between 2006 and 2016), between 7.3 percent and 16.2 percent of the awards go unclaimed and/or expire (see Table 16). However, it should be noted that those percentages are potentially underestimated in the more current years as they are based on actual claims made which may be higher than what was issued to some taxpayers. When possible, those erroneous claims have been billed to the taxpayers who made the error, but there is often a delay between billing, payment, and the claims being updated to reflect the amount that was repaid. The timing analysis also excludes claims from 2004 and 2005, when claims were often made without a certificate number. This occurred frequently at the start of data collection when many claims were being made on awards issued prior to the introduction of tax credit certificate numbers for tax year 2006. Also omitted from averages are claims made in tax year 2022, due to incomplete tax return data on all tax types.

Tax Credit Claims by Tax Type

When looking at tax credit claims by tax type, it is not surprising that most of the claims of Endow Iowa Tax Credit awards have been made against individual income tax at a rate of over 96 percent of the total, compared to less than four percent for other tax types (see Table 17). Notice that while Table 6 showed that around 10 percent of award dollars were issued to business entities, Table 17 shows that claims against tax types other than individual income tax only constitute about 3.6 percent of total claim amounts. What this most likely means is that a large portion of the awards issued to business entities are issued to businesses that are pass-through entities and so the awards are claimed against individual income tax. This is consistent with the high share of claims against individual income tax (96.4%) relative to the share of tax credit awards issued to individual taxpayers (90%). This suggests that about six percent of awards were issued to pass-through entities. Among the business entities making claims, there was a surge in corporate claims in 2020, while claims by insurance companies, were concentrated in tax years 2013 through 2015.

²¹ Note that it is possible that fiscal year filers are able to make claims in the tax year prior to the award year, and also carry claims forward two years beyond the five-year expiration period.

²² Ibid.

VI. Effect of Federal Tax Law Changes on the Endow Iowa Tax Credit

As was discussed throughout this report, the Tax Cuts and Jobs Act of 2017 made numerous changes to the federal income tax calculations effective for tax year 2018 and thereafter. Two major changes were the near doubling of the standard deduction and the \$10,000 cap on state and local tax (SALT) deductions for those who continue to itemize deductions at the federal level. The change in the SALT cap resulted in rule changes by the Internal Revenue Service limiting the deductibility of charitable donations eligible for state income tax credits to only the unsubsidized donation (75% in the case of donations eligible for the Endow Iowa Tax Credit). This had the effect of making donations less tax-advantaged than prior to the TCJA.

Both of these changes could have resulted in a drop in total donations eligible for the Endow Iowa Tax Credit as the marginal cost of those donations increased. But, as discussed previously, total donations have persisted at the maximum allowed, and have surpassed the maximum by a wide margin in each year since 2017, as illustrated in Figure 2, which shows a high percentage of donations being made in years prior to the award year. The higher amount of prior year donations may be attributed to taxpayers taking advantage of deductibility at the higher tax rates that existed in 2017, compared to the years after. These taxpayers were awarded credit certificates in later years as the tax credit fund was replenished, but the tax credit itself could be applied to the tax year in which the donation was made.

The change in the standard deduction was expected to significantly reduce the number of Iowans itemizing at the federal level, due to the higher level of the standard deduction, and as a result, to reduce the number of taxpayers donating to charitable causes which were formerly used as itemized deductions. As seen in Table 2, there was a decline in the number of taxpayers participating in the Endow Iowa Tax Credit program, but it was also associated with awards being made for prior year donations, and also with a shift in awards to higher income taxpayers (see Figures 2 and 3).

Another effect of the TCJA may have been to prolong the time period over which tax credits would be claimed because of reduced tax liability at high income levels, as illustrated in Table 16.

Another federal tax law that took effect in the period after 2020 is the CARES Act. As displayed in Table 10b, there was a shift away from donors in middle income classes toward the highest income levels. This seems to be counter to the intent of the Act, which made charitable donations deductible at lower levels of giving, and increased the percentage of AGI for which donations would be eligible for deduction. However, as was discussed previously, high rates of return in the stock market during these years probably accounts for this shift toward higher income donors.

VII. Conclusion

The goal of the Endow Iowa Tax Credit is to encourage Iowans to donate to qualified endowment funds. Since the program's inception to date, nearly \$87 million in Endow Iowa Tax Credits has been awarded, and over \$68 million in tax credits have been claimed by taxpayers who have made donations to qualifying Iowa community foundations. The awards correspond to nearly \$360 million in donations to permanent endowment funds that support local charitable organizations, causes, and concerns. Since 2012, the tax credit cap has been \$6 million and has essentially been fully utilized every year. In fact, donations have outpaced the award cap by almost an entire year, with approximately 90 percent of awards coming from donations made in the tax year prior to the award year in at least five of the most recent years.

This analysis of the Endow Iowa Tax Credit has shown that high income taxpayers (over \$250,000) account for the majority of donations in all years of the program, and over 90 percent of awards were granted to taxpayers reporting AGI above \$125,000, with the highest percentage occurring in the range of \$250,000-\$499,999 in all years of the program. After the increase in the tax credit program cap in 2012, the demographics of donors shifted from the middle range of \$75,000 to \$99,999 income toward the higher income range of \$250,000 to \$499,999.

Other changes have occurred after the implementation of the TCJA in 2018, and the CARES Act of 2020 and 2021. Compared to the period 2012 to 2017, the total number of awards issued declined by 38 percent from 2018 to 2022, while annual award amounts held steady. This resulted in a higher average award per household in the latter period. This suggests that while there has been diminished participation in the program in terms of the number of donors (from 21,320 to 13,294), the donation size from each has increased (\$1,678 to \$2,256). The average award increased markedly in each year from 2020 to 2022, compared to 2018 and 2019. This may be due, in part, to the effects of the CARES Act in 2020 and 2021, and to higher stock market prices, leading to higher-income taxpayers making larger donations. This correlation was also seen in nation-wide analysis of charitable giving, but no direct causality was assumed in this study (Hodge, 2022).

The increase in average size of awards to participating households in the latter period, however, did not extend uniformly to community foundations as a whole. When measured by average donation per active year, 12 foundations saw an increase between the periods of 2006 to 2011 and 2012 to 2017, while only nine foundations saw increases between the periods 2012 to 2017 and 2018 to 2022. This is also reflected in an overall decline in the average award per year among active foundations. Both of these effects may be artifacts of the increase in the number of foundations eligible for the tax credit program, and the lower average donation levels experienced by the newer foundations. And while the distribution of funds by foundations to individual counties isn't known, it is consistent with the finding that the largest increases in average award per household accrued more often to residents of urban counties as well, with taxpayers in the highest income levels realizing the most benefit from the tax credit.

The number of foundations exceeding the overall average in each period held steady at six between 2012 to 2017 and 2018 to 2022, with five of the six foundations repeating in this measure in the two periods. This indicates that there is a core group of foundations that are consistent recipients of donations at higher amounts than is the average over all active foundations. The profile of donors in the core group of foundations was not analyzed, so it's unknown if the same donors are consistently giving, or if the foundations are attracting new donors at the higher amounts. It may be noted, however, that some of the smaller foundations are experiencing an increase in average donation size in recent years, but not enough data exist to determine if a trend has been established.

In another measure, the cohort of donors was found to be aging in each successive period measured, at a rate far exceeding the state's population as a whole. This may merit further scrutiny to see if this trend is sustainable for the program's longevity; however, it should also be noted that as of January 1, 2023, retirement income will no longer be taxed in the State of Iowa. This will likely have an impact on older donor's ability to leverage the Endow Iowa tax credit against their state tax liability. In order to renew the donor base and attract younger and more middle-income donors, one suggestion made by the philanthropic industry is to institute universal charitable deductions at the federal level, where "above the line" deductions would be made available regardless of itemization status. This suggestion is supported by 77 percent of Americans (Independent Sector, ca. 2022). Promotional efforts are already under way by Iowa foundations to give a renewed push to charitable giving in light of decreased participation rates (McCann Boutell, 2023).

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**Iowa's Endow Iowa Tax Credit
Tax Credits Program Evaluation Study
Tables and Figures**

Figure 1. Map of Community Foundations by County

County Endowment Fund Program
(HF 2302) 2021-2022 Recipients by Affiliation

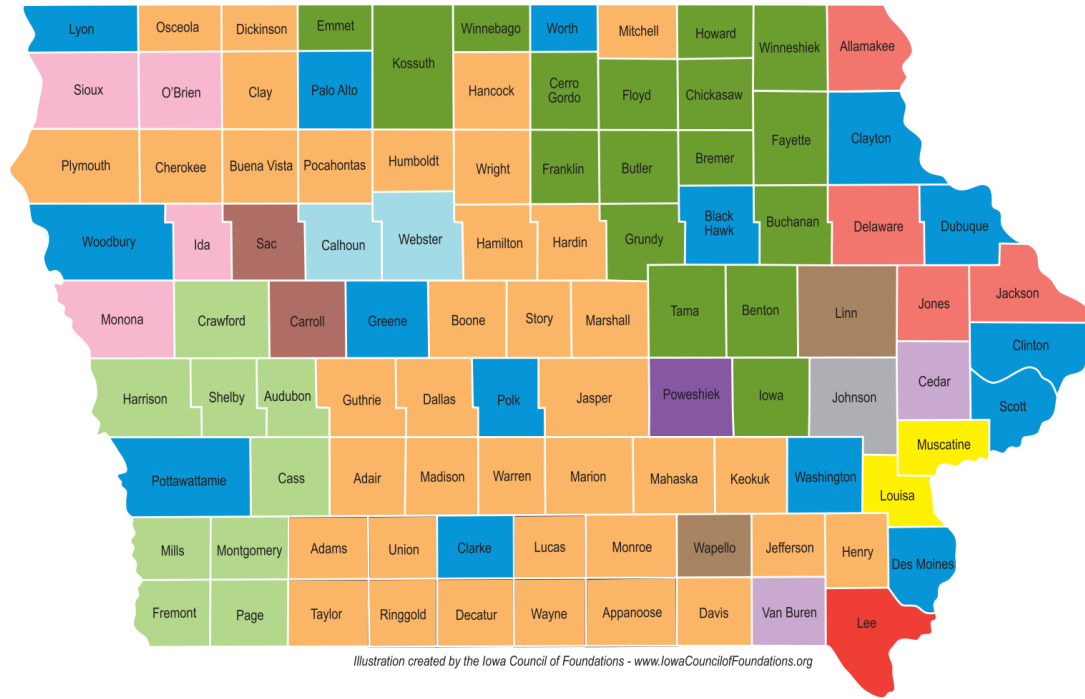


Illustration created by the Iowa Council of Foundations - www.IowaCouncilofFoundations.org

- | | | |
|--|--|---|
| Community Foundation of Carroll County | Community Foundation of Northeast Iowa | Omaha Community Foundation/
Community Foundations of Southwest Iowa |
| Community Foundation of Greater Des Moines | Fort Dodge Community Foundation & United Way | Quad Cities Community Foundation |
| Community Foundation of Greater Dubuque | Greater Cedar Rapids Community Foundation | Siouxland Community Foundation |
| Community Foundation of Greater Muscatine | Greater Poweshiek Community Foundation | Counties with gaming licenses
(not eligible for the County Endowment Fund Program) |
| Community Foundation of Johnson County | Keokuk Area Community Foundation | |

Note: In general, each county in Iowa is currently associated with one of seventeen nationally accredited community foundations. In addition to the thirteen community foundations listed in Figure 1, there are four additional standalone nationally accredited community foundations (the Cedar Falls Community Foundation, the Pella Community Foundation, the Community Foundation for Western Iowa, and the Waterloo Community Foundation) that are able to receive Endow Iowa-eligible gifts. There are also over 110 affiliate community foundations and funds that work in counties and communities throughout Iowa to administer endowment funds. In addition, the South Central Iowa Community Foundation was an eligible foundation until 2020 when it became unaccredited. Donations after that time are not included in tax credit award tables.

Source: Iowa Council of Foundations, 2023

Table 1. Endowment Fund Tax Credits by State, 2023

State	Program	Qualifying Contributions	Enacted	Sunset or Repeal Date	Annual Program Cap	Tax Credit Percentage	Taxpayer Cap	Qualifying Tax Types	Refundable	Carry Forward	State Itemized Deduction
Iowa	Endow Iowa Tax Credit	Contributions to certified community foundations and their affiliates.	2003	NA	2012 and after: \$6.0M	25%	effective 2012: \$300,000; effective 2023: \$100,000	Corporate, Individual, Franchise, Insurance Premium, and Moneys and Credits	No	5 Years	No
Kansas	Regional Foundation Tax Credit	Qualified gift to an approved regional foundation.	2004	Repealed 2012	FY2012 - \$2.0M	75%	None	Corporate, Individual, Franchise, Insurance Premium	Yes	NA	No
Kentucky	Endow Kentucky Tax Credit	Contributions to certified community foundations and their affiliates.	2011	NA	FY2019 and after \$1.0 M	20%	\$10,000	Corporate, Estate or Trust, Individual	No	5 Years	Yes
Maryland	Endow Maryland Tax Credit	Contributions to a qualified permanent endowment fund or eligible community foundation.	2014	NA	None	25%	\$50,000 (min. \$500)	Corporate, Individual, Franchise, Insurance Premium	No	5 Years	Yes

Note: Shaded tax credits are currently repealed.

Table 1 (cont). Endowment Fund Tax Credits by State, 2023

State	Program	Qualifying Contributions	Enacted	Sunset or Repeal Date	Annual Program Cap	Tax Credit Percentage	Taxpayer Cap	Qualifying Tax Types	Refundable	Carry Forward	State Itemized Deduction
Michigan	Community Foundation Tax Credit	Contributions to certified community foundations.	1989	Repealed for Individuals 2012; retained for corporate income tax under Michigan Business Tax Act of 2011	None	50%	Corporate - 5% of tax liability or \$5,000, whichever is less. Individual - \$100 for single filers or \$200 for joint filers. Estate or Trust - 10% of tax liability or \$5,000, whichever is less.	Corporate, Estate or Trust, Individual	No	No	No
Mississippi	Endow Mississippi Tax Credit	Contributions to a qualified community foundation	2019; amended 2023	Sunset 2028	\$1.0 M	25%	\$500,000 (min. \$1,000)	Corporate, Estate or Trust, Individual	No	5 Years	Yes

Note: Shaded tax credits are currently repealed.

Table 1 (cont). Endowment Fund Tax Credits by State, 2023

State	Program	Qualifying Contributions	Enacted	Sunset or Repeal Date	Annual Program Cap	Tax Credit Percentage	Taxpayer Cap	Qualifying Tax Types	Refundable	Carry Forward	State Itemized Deduction
Montana	Montana Endowment Tax Credit	Qualified planned gift to a qualified Montana charitable endowment.	1997	Sunset 2025	None	Individual - 40% of a planned gift. Estates or trusts - 40% of a planned gift and 20% of a direct contribution. Business - 20% of the value of a gift.	\$10,000 for individual; \$20,000 for joint filers.	Corporate, Estate or Trust, Individual	No	No	No
Nebraska	Nebraska Charitable Endowment Tax Credit	Planned gifts or contributions to endowment funds of Nebraska 501(c)(3) charitable organizations.	2006	Sunset 2009	None	15% of planned gifts for individuals, S corporations, partnerships, and limited liability companies. 10% of any contribution for C corporations. 15% of planned gifts or 10% of a direct gift for an estate or trust.	Corporate - \$5,000 Estate or Trust - \$5,000 Individual - \$5,000 for single filer or \$10,000 for joint filers.	Corporate, Estate or Trust, Individual	No	No	Yes

Note: Shaded tax credits are currently repealed.

Table 1 (cont). Endowment Fund Tax Credits by State, 2023

State	Program	Qualifying Contributions	Enacted	Sunset or Repeal Date	Annual Program Cap	Tax Credit Percentage	Taxpayer Cap	Qualifying Tax Types	Refundable	Carry Forward	State Itemized Deduction
North Dakota	Tax Credit for Planned or Deferred Gifts	Qualified deferred gifts to nonprofit organizations.	2007	NA	None	40%	Individual - \$10,000 for single filer or \$20,000 for joint filers.	Individual	No	4 Years	No
North Dakota (cont.)	Tax Credit for Endowment Gifts	Qualified gift to a endowment fund. Individuals must make a minimum donation of \$5,000.	2011	NA	None	40%	Corporate, Estate or Trust, Franchise - \$10,000 Individual - \$10,000 for single filer or \$20,000 for joint filers (minimum \$5,000 gift).	Corporate, Estate or Trust, Franchise, Individual	No	3 Years	No

Note: Shaded tax credits are currently repealed.

Source: National Council of Nonprofits (2023); state tax information webpages.

Table 2. Endow Iowa Tax Credit Award Statistics

Year of Tax Credit Award	Tax Credit Award Cap*	Additional Gambling Monies	Total Awards Issued	Number of Awards Issued	Average Award Issued	Smallest Award Issued	Largest Award Issued	Median Award Issued
2003-2004	\$2,000,000	\$0	\$1,060,752	407	\$2,606	\$2	\$100,000	\$200
2005	\$2,000,000	\$0	\$2,139,417	699	\$3,061	\$1	\$100,000	\$200
2006	\$2,000,000	\$0	\$2,100,770	655	\$3,207	\$1	\$100,000	\$140
2007	\$2,000,000	\$0	\$2,019,591	1,038	\$1,946	\$2	\$97,750	\$200
2008	\$2,000,000	\$1,166,940	\$3,166,940	1,878	\$1,686	\$2	\$119,900	\$100
2009	\$2,000,000	\$394,446	\$2,394,446	1,887	\$1,269	\$2	\$101,322	\$100
2010	\$2,700,000	\$814,408	\$3,514,408	2,025	\$1,736	\$2	\$135,000	\$125
2011	\$3,500,000	\$1,068,478	\$4,568,478	2,597	\$1,759	\$3	\$227,591	\$125
2012	\$6,000,000	\$0	\$5,779,541	3,074	\$1,880	\$1	\$227,591	\$125
2013	\$6,000,000	\$0	\$5,993,606	3,068	\$1,954	\$1	\$300,000	\$125
2014	\$6,000,000	\$0	\$5,999,999	3,909	\$1,535	\$1	\$300,000	\$84
2015	\$6,000,000	\$0	\$6,000,000	4,416	\$1,359	\$1	\$250,000	\$100
2016	\$6,000,000	\$0	\$6,000,000	4,042	\$1,484	\$1	\$287,500	\$88
2017	\$6,000,000	\$0	\$6,000,000	2,811	\$2,134	\$3	\$300,000	\$100
2018	\$6,000,000	\$0	\$5,996,250	3,433	\$1,747	\$3	\$300,000	\$125
2019	\$6,000,000	\$0	\$6,000,000	3,196	\$1,877	\$3	\$250,000	\$125
2020	\$6,000,000	\$0	\$5,999,997	2,329	\$2,576	\$3	\$300,000	\$125
2021	\$6,000,000	\$0	\$6,000,000	2,398	\$2,502	\$3	\$300,000	\$125
2022	\$6,000,000	\$0	\$6,000,000	1,938	\$3,096	\$3	\$300,000	\$125
Totals								
2003-2011	\$18,200,000	\$3,444,271	\$20,964,801	11,186	\$1,874			
2012-2017	\$36,000,000	\$0	\$35,773,147	21,320	\$1,678			
2018-2022	\$30,000,000	\$0	\$29,996,247	13,294	\$2,256			
Total, all years	\$84,200,000	\$3,444,271	\$86,734,194	45,800	\$1,894			
Averages								
2003-2011	\$2,275,000	\$861,068	\$2,620,600	1,398				
2012-2017	\$6,000,000	\$0	\$5,962,191	3,553				
2018-2022	\$6,000,000	\$0	\$5,999,249	2,659				
Average, all years	\$4,431,579	\$181,277	\$4,564,958	2,411				

* Since 2012, the program cap has been set at \$6 million; prior to 2012, the tax credit program cap varied.
Source: Iowa Economic Development Authority and Endow Iowa award database

Figure 2. Difference in Timing of Donations and Awards

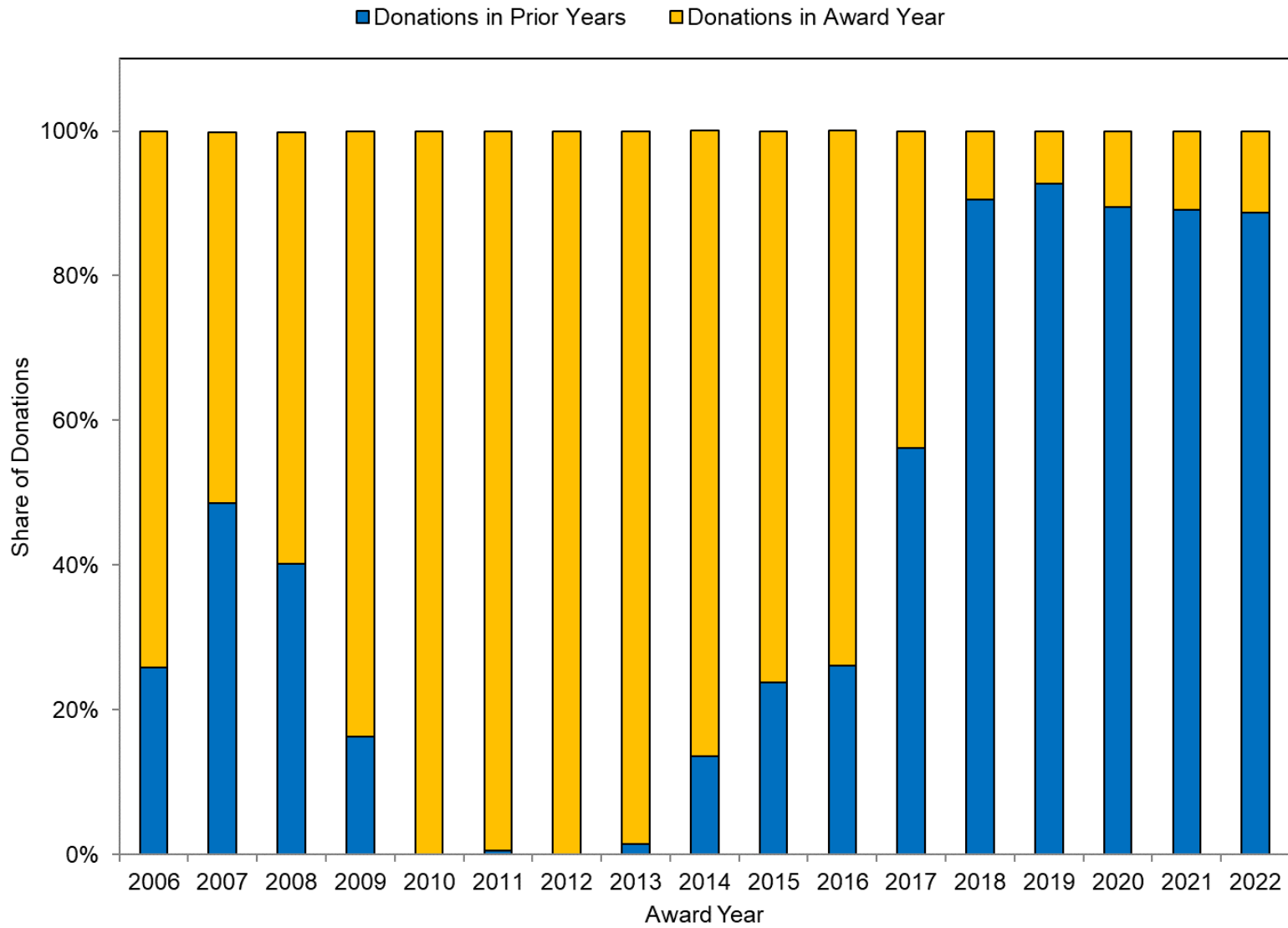


Table 3. Endow Iowa Tax Credit Donation Statistics

Year of Tax Credit Award	Total Tax Credits Issued	Tax Credit Rate	Total Amount of Donations Associated With Tax Credits	Smallest Donation Incentivized	Largest Donation Incentivized	Average Donation Incentivized	Median Donation Incentivized
2003-2004	\$1,060,752	20%	\$5,303,760	\$10	\$531,200	\$13,031	\$1,000
2005	\$2,139,417	20%	\$10,697,083	\$5	\$500,000	\$15,303	\$1,000
2006	\$2,100,770	20%	\$10,503,850	\$5	\$1,003,850	\$16,036	\$700
2007	\$2,019,591	20%	\$10,097,954	\$10	\$488,750	\$9,728	\$1,000
2008	\$3,166,940	20%	\$15,834,702	\$8	\$599,498	\$8,432	\$500
2009	\$2,394,446	20%	\$11,972,228	\$10	\$506,608	\$6,345	\$500
2010	\$3,514,408	25%	\$14,057,630	\$7	\$800,000	\$6,942	\$500
2011	\$4,568,478	25%	\$18,273,910	\$10	\$1,000,000	\$7,037	\$500
2012	\$5,779,541	25%	\$23,118,165	\$5	\$910,362	\$7,521	\$500
2013	\$5,993,606	25%	\$23,974,424	\$5	\$1,200,000	\$7,814	\$500
2014	\$5,999,999	25%	\$23,999,997	\$5	\$1,200,000	\$6,140	\$334
2015	\$6,000,000	25%	\$24,000,000	\$5	\$1,000,000	\$5,435	\$400
2016	\$6,000,000	25%	\$24,000,000	\$5	\$1,150,000	\$5,938	\$350
2017	\$6,000,000	25%	\$23,999,999	\$10	\$1,200,000	\$8,538	\$400
2018	\$5,996,250	25%	\$23,985,000	\$10	\$1,200,000	\$6,987	\$500
2019	\$6,000,000	25%	\$24,000,000	\$10	\$1,000,000	\$7,509	\$500
2020	\$5,999,997	25%	\$23,999,989	\$10	\$1,200,000	\$10,305	\$500
2021	\$6,000,000	25%	\$24,000,000	\$10	\$1,200,000	\$10,008	\$500
2022	\$6,000,000	25%	\$24,000,000	\$10	\$1,200,000	\$12,384	\$500
2003-2011	\$20,964,801		\$96,741,118			\$8,648	
2012-2017	\$35,773,147		\$143,092,587			\$6,712	
2018-2022	\$29,996,247		\$119,984,987			\$9,025	
Totals	\$86,734,194		\$359,818,692			\$7,856	
Average per year	\$4,564,958		\$18,937,826				

Note: These data do not include donations that did not qualify or apply for Endow Iowa Tax Credits and only reflect donations up to the maximum donation allowed under the tax credit program.

Source: Endow Iowa award database and Iowa Economic Development Authority

Table 4. Analysis of Maximum Donations Allowed

Award Year	Total Endow Iowa Award Cap	Capped Award Amount	Number of Awards at Capped Amount
2005	\$2,000,000	\$100,000	5
2006	\$2,000,000	\$100,000	6
2007	\$2,000,000	\$100,000	0
2008	\$3,176,855	\$158,843	0
2009	\$2,394,447	\$119,722	0
2010	\$3,657,621	\$182,881	0
2011	\$4,523,398	\$227,591	2
2012*	\$6,000,000	\$300,000	0
2013	\$6,000,000	\$300,000	2
2014	\$6,000,000	\$300,000	2
2015	\$6,000,000	\$300,000	0
2016	\$6,000,000	\$300,000	0
2017	\$6,000,000	\$300,000	3
2018	\$6,000,000	\$300,000	2
2019	\$6,000,000	\$300,000	0
2020	\$6,000,000	\$300,000	1
2021	\$6,000,000	\$300,000	4
2022	\$6,000,000	\$300,000	4

* The cap was raised retroactively, which raised the maximum award after all donations were made. Two taxpayers donated at the previous maximum award prior to the cap being raised.

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue

Table 5. Share of Donations under \$30,000 Compared to Ten Percent Requirement

Award Year	Donations Under \$30,000			Donations Over \$30,000			Donations Under \$30,000 as a Share of Total Donations	
	Count	Total	Average	Count	Total	Average	Required	Actual
2004	384	\$1,153,304	\$3,003	23	\$4,187,448	\$182,063	10.00%	21.59%
2005	642	\$2,108,858	\$3,285	57	\$8,588,226	\$150,671	10.00%	19.71%
2006	600	\$1,635,275	\$2,725	55	\$8,868,575	\$161,247	10.00%	15.57%
2007	975	\$2,882,629	\$2,957	65	\$7,217,356	\$111,036	10.00%	28.54%
2008	1,782	\$4,118,502	\$2,311	99	\$11,765,768	\$118,846	10.00%	25.93%
2009	1,827	\$4,029,627	\$2,206	60	\$7,942,601	\$132,377	10.00%	33.66%
2010	1,947	\$3,819,306	\$1,962	79	\$11,288,074	\$142,887	10.00%	25.28%
2011	2,512	\$5,485,253	\$2,184	84	\$12,788,657	\$152,246	10.00%	30.02%
2012	2,986	\$6,567,620	\$2,199	89	\$16,550,746	\$185,963	10.00%	28.41%
2013	2,950	\$6,938,278	\$2,352	122	\$17,061,704	\$139,850	10.00%	28.91%
2014	3,811	\$7,567,863	\$1,986	98	\$16,432,134	\$167,675	10.00%	31.53%
2015	4,290	\$8,432,080	\$1,966	126	\$15,567,920	\$123,555	10.00%	35.13%
2016	3,929	\$7,388,231	\$1,880	113	\$16,611,770	\$147,007	10.00%	30.78%
2017	2,462	\$4,544,610	\$1,846	99	\$16,888,224	\$170,588	10.00%	21.20%
2018	3,041	\$7,014,831	\$2,307	111	\$14,966,804	\$134,836	10.00%	31.91%
2019	2,793	\$6,571,678	\$2,353	122	\$14,931,681	\$122,391	10.00%	30.56%
2020	2,070	\$4,484,019	\$2,166	107	\$16,980,252	\$158,694	10.00%	20.89%
2021	2,111	\$4,399,557	\$2,084	104	\$16,970,166	\$163,175	10.00%	20.59%
2022	1,707	\$4,285,582	\$2,511	95	\$17,004,839	\$178,998	10.00%	20.13%
Average	2,254	\$4,917,216	\$2,182	90	\$13,295,418	\$147,900		27.00%

Source: Endow Iowa award database, Iowa Economic Development Authority, and Iowa Department of Revenue

Table 6. Awards by Entity Type, Award Years 2006 through 2022

Award Year and Tax Year	Business Entities Awarded Tax Credits				Individual Taxpayers Awarded Tax Credits			
	Number of Awards Issued	Amount of Awards Issued	Percent of Award Cap	Average Award Issued	Number of Awards Issued	Amount of Awards Issued	Percent of Award Cap	Average Award Issued
2006	52	\$184,938	8.80%	\$3,557	603	\$1,915,832	91.20%	\$3,177
2007	77	\$100,240	4.96%	\$1,302	961	\$1,919,351	95.04%	\$1,997
2008	143	\$380,245	12.01%	\$2,659	1,735	\$2,786,696	87.99%	\$1,606
2009	143	\$253,400	10.58%	\$1,772	1,744	\$2,141,046	89.42%	\$1,228
2010	128	\$404,503	11.51%	\$3,160	1,897	\$3,109,904	88.49%	\$1,639
2011	157	\$561,055	12.28%	\$3,574	2,440	\$4,007,423	87.72%	\$1,642
2012	195	\$300,374	5.20%	\$1,540	2,879	\$5,479,167	94.80%	\$1,903
2013	244	\$655,925	10.94%	\$2,688	2,824	\$5,337,682	89.06%	\$1,890
2014	285	\$492,537	8.21%	\$1,728	3,624	\$5,507,462	91.79%	\$1,520
2015	388	\$682,049	11.37%	\$1,758	4,028	\$5,317,951	88.63%	\$1,320
2016	367	\$682,060	11.37%	\$1,858	3,675	\$5,317,940	88.63%	\$1,447
2017	250	\$641,792	10.70%	\$2,567	2,561	\$5,358,208	89.30%	\$2,092
2018	279	\$500,255	8.34%	\$1,793	3,154	\$5,495,995	91.66%	\$1,743
2019	285	\$776,523	12.94%	\$2,725	2,911	\$5,223,477	87.06%	\$1,794
2020	154	\$665,045	11.08%	\$4,318	2,175	\$5,334,952	88.92%	\$2,453
2021	192	\$751,147	12.52%	\$3,912	2,206	\$5,248,853	87.48%	\$2,379
2022	141	\$663,935	11.07%	\$4,709	1,797	\$5,336,065	88.93%	\$2,969
2006-2011	700	\$1,884,381	10.61%	\$2,692	9,380	\$15,880,251	89.39%	\$1,693
2012-2017	1,729	\$3,454,737	9.66%	\$1,998	19,591	\$32,318,410	90.34%	\$1,650
2018-2022	1,051	\$3,356,904	11.19%	\$3,194	12,243	\$26,639,342	88.81%	\$2,176
Overall	3,480	\$8,696,022	10.41%	\$2,499	41,214	\$74,838,003	89.59%	\$1,816

Source: Iowa Economic Development Authority

Table 7. Statistics for Matching Individual Awards to Tax Returns, Award Years and Tax Years 2006 through 2022

Award Year and Tax Year	Number of Awards Issued	Number of Awards Matched	Percent of the Number of Awards Matched	Amount of Awards Issued	Amount of Awards Matched	Percent of the Amount of Awards Matched	Number of Households
2006	603	587	97.35%	\$1,915,832	\$1,825,794	95.30%	471
2007	961	917	95.42%	\$1,919,351	\$1,784,263	92.96%	730
2008	1,735	1,688	97.29%	\$2,786,696	\$2,776,962	99.65%	1,275
2009	1,744	1,702	97.59%	\$2,141,046	\$2,035,984	95.09%	1,238
2010	1,897	1,867	98.42%	\$3,109,904	\$3,249,305	104.48%	1,438
2011	2,440	2,399	98.32%	\$4,007,423	\$3,913,386	97.65%	1,839
2012	2,879	2,838	98.58%	\$5,479,167	\$5,437,687	99.24%	2,084
2013	2,824	2,784	98.58%	\$5,337,682	\$5,285,110	99.02%	2,058
2014	3,624	3,575	98.65%	\$5,507,462	\$5,461,120	99.16%	2,478
2015	4,028	3,971	98.58%	\$5,317,951	\$5,291,624	99.50%	2,756
2016	3,675	3,618	98.45%	\$5,317,940	\$5,294,647	99.56%	2,643
2017	2,561	2,497	97.50%	\$5,358,208	\$5,312,992	99.16%	1,973
2018	3,154	3,030	96.07%	\$5,495,995	\$5,383,234	97.95%	2,222
2019	2,911	2,819	96.84%	\$5,223,477	\$4,975,946	95.26%	2,108
2020	2,175	2,109	96.97%	\$5,334,952	\$5,179,793	97.09%	1,637
2021	2,206	2,138	96.92%	\$5,248,853	\$5,111,442	97.38%	1,598
2022*	1,797	1,508	83.92%	\$5,336,065	\$2,998,035	56.18%	1,163
2006-2011	9,380	9,160	97.65%	\$15,880,251	\$15,585,694	98.15%	6,991
2012-2017	19,591	19,283	98.43%	\$32,318,410	\$32,083,180	99.27%	13,992
2018-2021*	10,446	10,096	96.65%	\$21,303,277	\$20,650,415	96.94%	7,565
Overall	39,417	38,539	97.77%	\$69,501,939	\$68,319,289	98.30%	28,548

*Individual tax returns for tax year 2022 are incomplete and have been omitted from totals.

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue Individual Income Tax Returns

Table 8. Persistence of Endow Iowa Awards, Award Years 2006 through 2022*

Total Number of Years with Endow Iowa Donations	Number of Households per Cohort	Percent of Households
1	6,800	55.9%
2	1,852	15.2%
3	1,096	9.0%
4	679	5.6%
5	475	3.9%
6	333	2.7%
7	280	2.3%
8	179	1.5%
9	146	1.2%
10	109	0.9%
11	72	0.6%
12	40	0.3%
13	49	0.4%
14	24	0.2%
15	16	0.1%
16	10	0.1%
17	5	0.0%
	12,165	100%

*Taxpayers who were first-time donors in 2022 were not included, so count includes only those who could have attained at least 2 repeat years.

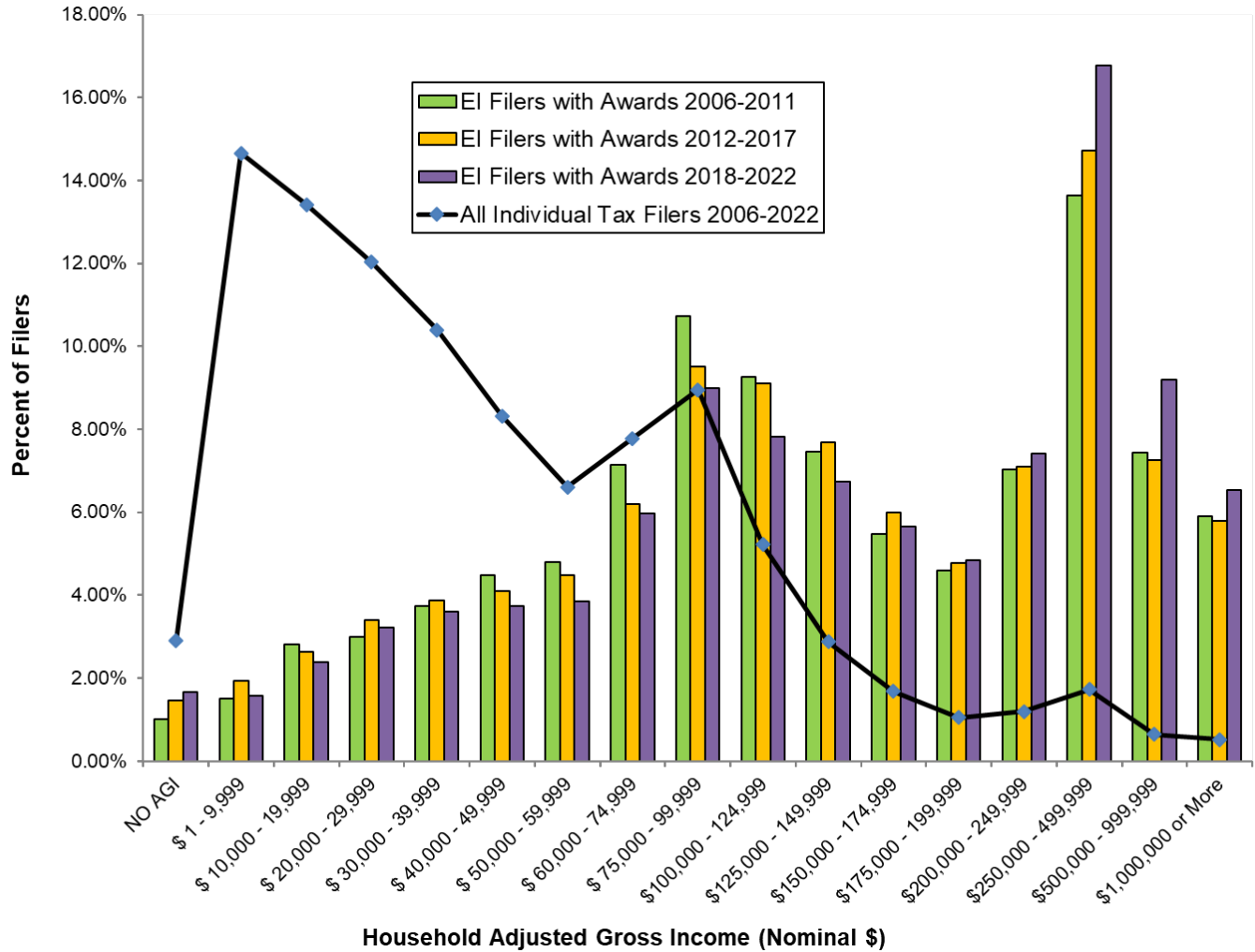
Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue Individual Income Tax Returns

Table 9. Comparison of Distribution of Households by Age, Award Years 2006 through 2011, 2012 through 2017, 2018 through 2022

Age Group	2006-2011 Awards		2012-2017 Awards		2018-2022 Awards	
	% of count	% of amt	% of count	% of amt	% of count	% of amt
Less than 25	0.5%	0.1%	0.2%	0.2%	0.1%	0.0%
Age 25-34	2.3%	0.5%	1.9%	0.9%	1.5%	0.1%
Age 35-44	6.5%	6.3%	6.8%	7.0%	6.4%	5.5%
Age 45-54	16.8%	11.3%	13.7%	13.7%	11.0%	7.0%
Age 55-64	30.2%	25.4%	26.2%	28.0%	20.3%	30.7%
Age 65 and Over	43.8%	55.7%	51.2%	50.2%	60.7%	56.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue Individual Income Tax Returns

Figure 3. Adjusted Gross Income of All Income Tax Filers and Households with Endow Iowa Awards, Award Years 2006 through 2022



Source: Endow Iowa award database, Iowa Economic Development Authority, and Iowa Department of Revenue Individual Income Tax Returns

Table 10a. Comparison of Distribution of Donations by Household Adjusted Gross Income, Award Years 2006 through 2011 and 2012 through 2017

Tax Credit Awards Issued Between 2006 and 2011					
Household Adjusted Gross Income (AGI) (in 2016\$)	Number of Households with Donations	Distribution of Households with Donations	Total Amount of Donations	Distribution of Donations	Average Endow Iowa Donation as a Percent of AGI
NO AGI	70	1.00%	\$451,567	0.63%	NA
\$ 1 - 9,999	105	1.50%	\$88,745	0.12%	14.88%
\$ 10,000 - 19,999	196	2.80%	\$274,071	0.38%	9.22%
\$ 20,000 - 29,999	210	3.00%	\$420,871	0.59%	8.04%
\$ 30,000 - 39,999	262	3.75%	\$412,777	0.57%	4.47%
\$ 40,000 - 49,999	313	4.48%	\$603,146	0.84%	4.28%
\$ 50,000 - 59,999	335	4.79%	\$1,378,811	1.92%	7.50%
\$ 60,000 - 74,999	499	7.14%	\$913,176	1.27%	2.71%
\$ 75,000 - 99,999	750	10.73%	\$2,002,145	2.78%	3.06%
\$100,000 - 124,999	648	9.27%	\$2,481,352	3.45%	3.41%
\$125,000 - 149,999	522	7.47%	\$2,049,425	2.85%	2.86%
\$150,000 - 174,999	382	5.46%	\$1,340,409	1.86%	2.16%
\$175,000 - 199,999	321	4.59%	\$1,732,461	2.41%	2.88%
\$200,000 - 249,999	492	7.04%	\$3,547,032	4.93%	3.23%
\$250,000 - 499,999	953	13.63%	\$10,633,089	14.78%	3.22%
\$500,000 - 999,999	520	7.44%	\$10,997,464	15.29%	3.08%
\$1,000,000 or More	413	5.91%	\$32,610,528	45.33%	1.87%
	6,991		\$71,937,069		2.45%
Tax Credit Awards Issued Between 2012 and 2017					
Household Adjusted Gross Income (AGI) (nominal \$)	Number of Households with Donations	Distribution of Households with Donations	Total Amount of Donations	Distribution of Donations	Average Endow Iowa Donation as a Percent of AGI
NO AGI	204	1.46%	\$1,044,306	0.81%	NA
\$ 1 - 9,999	272	1.94%	\$328,268	0.26%	22.41%
\$ 10,000 - 19,999	369	2.64%	\$407,199	0.32%	7.29%
\$ 20,000 - 29,999	475	3.39%	\$602,408	0.47%	5.07%
\$ 30,000 - 39,999	542	3.87%	\$904,127	0.70%	4.76%
\$ 40,000 - 49,999	573	4.10%	\$923,878	0.72%	3.60%
\$ 50,000 - 59,999	626	4.47%	\$1,280,058	1.00%	3.71%
\$ 60,000 - 74,999	866	6.19%	\$1,669,177	1.30%	2.87%
\$ 75,000 - 99,999	1,332	9.52%	\$2,883,260	2.25%	2.48%
\$100,000 - 124,999	1,275	9.11%	\$4,578,478	3.57%	3.20%
\$125,000 - 149,999	1,074	7.68%	\$3,247,085	2.53%	2.20%
\$150,000 - 174,999	840	6.00%	\$2,801,579	2.18%	2.06%
\$175,000 - 199,999	668	4.77%	\$3,288,569	2.56%	2.63%
\$200,000 - 249,999	993	7.10%	\$5,844,279	4.55%	2.63%
\$250,000 - 499,999	2,059	14.72%	\$14,424,998	11.24%	2.01%
\$500,000 - 999,999	1,014	7.25%	\$18,711,389	14.58%	2.68%
\$1,000,000 or More	810	5.79%	\$65,392,757	50.96%	2.19%
	13,992		\$128,331,815		2.40%

Note: Outlined cells indicate large differences between later and earlier award periods.
 Source: Iowa Department of Revenue Endow Iowa award database and Individual Income Tax Returns

Table 10b. Comparison of Distribution of Donations by Household Adjusted Gross Income, Award Years 2012 through 2017 and 2018 through 2022

Tax Credit Awards Issued Between 2012 and 2017					
Household Adjusted Gross Income (AGI) (nominal \$)	Number of Households with Donations	Distribution of Households with Donations	Total Amount of Donations	Distribution of Donations	Average Endow Iowa Donation as a Percent of AGI
NO AGI	204	1.46%	\$1,044,306	0.81%	NA
\$ 1 - 9,999	272	1.94%	\$328,268	0.26%	22.41%
\$ 10,000 - 19,999	369	2.64%	\$407,199	0.32%	7.29%
\$ 20,000 - 29,999	475	3.39%	\$602,408	0.47%	5.07%
\$ 30,000 - 39,999	542	3.87%	\$904,127	0.70%	4.76%
\$ 40,000 - 49,999	573	4.10%	\$923,878	0.72%	3.60%
\$ 50,000 - 59,999	626	4.47%	\$1,280,058	1.00%	3.71%
\$ 60,000 - 74,999	866	6.19%	\$1,669,177	1.30%	2.87%
\$ 75,000 - 99,999	1,332	9.52%	\$2,883,260	2.25%	2.48%
\$100,000 - 124,999	1,275	9.11%	\$4,578,478	3.57%	3.20%
\$125,000 - 149,999	1,074	7.68%	\$3,247,085	2.53%	2.20%
\$150,000 - 174,999	840	6.00%	\$2,801,579	2.18%	2.06%
\$175,000 - 199,999	668	4.77%	\$3,288,569	2.56%	2.63%
\$200,000 - 249,999	993	7.10%	\$5,844,279	4.55%	2.63%
\$250,000 - 499,999	2,059	14.72%	\$14,424,998	11.24%	2.01%
\$500,000 - 999,999	1,014	7.25%	\$18,711,389	14.58%	2.68%
\$1,000,000 or More	810	5.79%	\$65,392,757	50.96%	2.19%
	13,992		\$128,331,815		2.40%

Tax Credit Awards Issued Between 2018 and 2022					
Household Adjusted Gross Income (AGI) (nominal \$)	Number of Households with Donations	Distribution of Households with Donations	Total Amount of Donations	Distribution of Donations	Average Endow Iowa Donation as a Percent of AGI
NO AGI	146	1.67%	\$509,172	0.54%	NA
\$ 1 - 9,999	137	1.57%	\$276,571	0.29%	35.34%
\$ 10,000 - 19,999	209	2.39%	\$336,776	0.36%	10.66%
\$ 20,000 - 29,999	282	3.23%	\$636,331	0.67%	9.04%
\$ 30,000 - 39,999	315	3.61%	\$783,944	0.83%	7.14%
\$ 40,000 - 49,999	326	3.73%	\$864,033	0.91%	5.89%
\$ 50,000 - 59,999	337	3.86%	\$1,057,932	1.12%	5.69%
\$ 60,000 - 74,999	521	5.97%	\$1,233,374	1.30%	3.52%
\$ 75,000 - 99,999	786	9.00%	\$2,303,862	2.44%	3.37%
\$100,000 - 124,999	683	7.82%	\$2,192,148	2.32%	2.86%
\$125,000 - 149,999	588	6.74%	\$1,888,322	2.00%	2.34%
\$150,000 - 174,999	494	5.66%	\$1,497,760	1.58%	1.87%
\$175,000 - 199,999	422	4.83%	\$2,935,762	3.10%	3.71%
\$200,000 - 249,999	647	7.41%	\$3,649,378	3.86%	2.53%
\$250,000 - 499,999	1,464	16.77%	\$15,245,249	16.12%	2.95%
\$500,000 - 999,999	802	9.19%	\$13,963,017	14.76%	2.55%
\$1,000,000 or More	571	6.54%	\$45,216,058	47.80%	2.10%
	8,730		\$94,589,689		2.52%

Note: Outlined cells indicate large differences between later and earlier award periods.
 Source: Iowa Department of Revenue Endow Iowa award database and Individual Income Tax Returns

Table 11. Award Totals and Averages by Foundation and Active Award Year, Compared to All Years

Foundation	2004-2011		2012-2017		2018-2022		All Years	
	Sum of Awards	Average per Active Year	Sum of Awards	Average per Active Year	Sum of Awards	Average per Active Year	Sum of Awards	Average per Active Year
Cedar Falls Community Foundation	\$0	\$0	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000
Community Foundation for Western Iowa	\$162,217	\$81,108	\$288,326	\$48,054	\$328,084	\$65,617	\$778,627	\$59,894
Community Foundation of Carroll County	\$0	\$0	\$67,176	\$11,196	\$79,426	\$15,885	\$146,602	\$13,327
Community Foundation of Greater Des Moines	\$8,493,650	\$1,061,706 A	\$18,542,400	\$3,090,400 A	\$12,566,277	\$2,513,255 A	\$39,602,327	\$2,084,333 A
Community Foundation of Greater Dubuque **	\$3,046,764	\$380,846 A	\$3,501,198	\$583,533 A	\$3,900,241	\$780,048 A	\$10,448,203	\$549,905 A
Community Foundation of Greater Muscatine	\$125,329	\$31,332	\$281,570	\$46,928	\$163,279	\$32,656	\$570,178	\$38,012
Community Foundation of Johnson County	\$626,197	\$78,275	\$2,477,109	\$412,852 A	\$3,544,184	\$708,837 A	\$6,647,490	\$349,868 A
Community Foundation of Northeast Iowa **	\$2,161,702	\$432,340 A	\$2,071,354	\$345,226 A	\$1,623,870	\$324,774	\$5,856,927	\$366,058 A
Fort Dodge Community Foundation and United Way	\$86,513	\$10,814	\$132,035	\$22,006	\$236,020	\$47,204	\$454,568	\$23,925
Greater Cedar Rapids Community Foundation	\$3,395,668	\$424,458 A	\$4,273,501	\$712,250 A	\$2,882,513	\$576,503 A	\$10,551,682	\$555,352 A
Greater Poweshiek Community Foundation	\$128,613	\$64,307	\$388,113	\$64,686	\$229,782	\$45,956	\$746,509	\$57,424
Keokuk Area Community Foundation	\$0	\$0	\$0	\$0	\$312,325	\$62,465	\$312,325	\$62,465
Omaha Community Foundation***	\$305,773	\$43,682	\$221,217	\$36,869	\$205,239	\$41,048	\$732,229	\$40,679
Pella Community Foundation	\$86,158	\$12,308	\$40,065	\$6,677	\$48,215	\$9,643	\$174,437	\$9,691
Quad Cities Community Foundation **	\$1,519,387	\$189,923	\$2,534,413	\$422,402	\$2,457,316	\$491,463 A	\$6,511,115	\$342,690 A
Siouxland Community Foundation	\$415,514	\$59,359	\$680,253	\$113,376 A	\$1,259,157	\$251,831 A	\$2,354,924	\$130,829
South Central Iowa Community Foundation *	\$135,422	\$19,346	\$274,416	\$45,736	\$92,667	\$26,476	\$502,506	\$30,455
Waterloo Community Foundation	\$0	\$0	\$0	\$0	\$57,652	\$28,826	\$57,652	\$28,826
Total	\$20,688,906	\$229,877	\$35,773,147	\$397,479	\$29,996,247	\$368,052	\$86,468,301	\$330,663
No. of foundations exceeding previous period's average		N/A		12		9		
A=No. of foundations exceeding current period's average		4 A		6 A		6 A		6 A

* The South Central Iowa Community Foundation is unaccredited as of 2020. Donations until that year are included in tax credit award tables, but are excluded from 2021 and 2022 amounts.

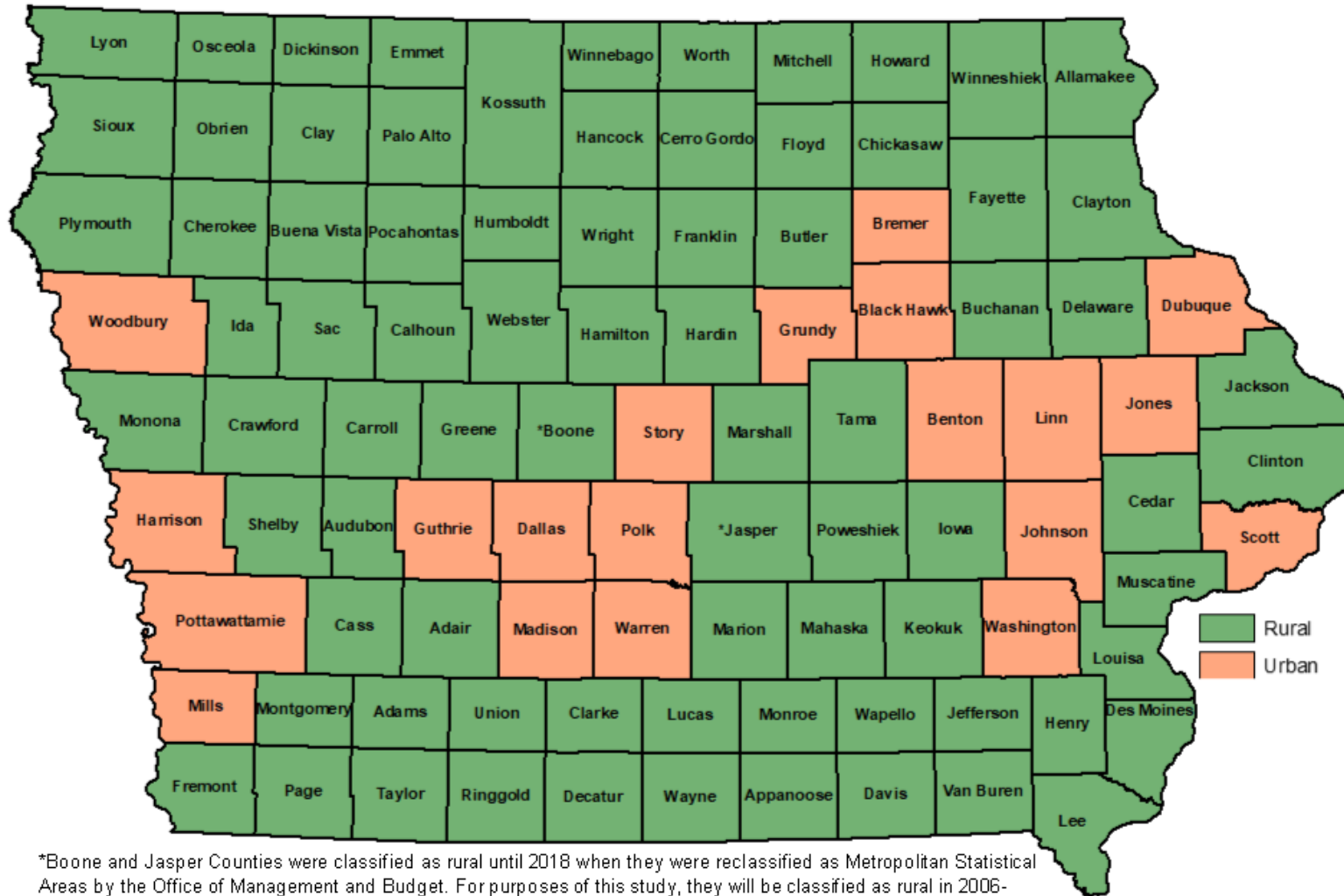
**Foundation totals include formerly separate foundations that are now affiliated with the listed foundation.

***Omaha Community Foundation is also known as Community Foundations of Southwest Iowa.

Note: Shaded area indicates average donation amount per year is greater than the average in the previous period, while an A indicates average donation per year is greater than current period's average.

Source: Iowa Economic Development Authority

Figure 4. Iowa Counties by Urban/Rural Designation



*Boone and Jasper Counties were classified as rural until 2018 when they were reclassified as Metropolitan Statistical Areas by the Office of Management and Budget. For purposes of this study, they will be classified as rural in 2006-2017, and urban in 2018-2022.

Source: adapted from U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau, Iowa - Core Based Statistical Areas (CBSAs) and Counties, 2023

Table 12. Comparison of Distribution of Awards to Households by County of Residence and Urban/Rural Designation, Award Years 2006 through 2011, 2012 through 2017, and 2018 through 2022

County	Urban/ Rural	Tax Credit Awards Issued Between 2006 and 2011			Tax Credit Awards Issued Between 2012 and 2017			R e p e a t	Tax Credit Awards Issued Between 2018 and 2022			R e p e a t
		Number of Households with Awards	Total Awards	Average Award Amount	Number of Households with Awards	Total Awards	Average Award Amount		Number of Households with Awards	Total Awards	Average Award Amount	
Nonresident		80	\$302,322	\$3,779	186	\$417,651	\$2,245		141	\$567,239	\$4,023	
Adair	R	6	\$110	\$18	*	*	*		*	*	*	
Adams	R	18	\$990	\$55	49	\$142,276	\$2,904		31	\$1,848	\$60	
Allamakee	R	15	\$3,763	\$251	52	\$129,830	\$2,497		65	\$23,128	\$356	
Appanoose	R	*	*	*	*	*	*		*	*	*	
Audubon	R	42	\$17,003	\$405	20	\$48,323	\$2,416		9	\$23,083	\$2,565	x
Benton	U	8	\$12,898	\$1,612	38	\$44,311	\$1,166		28	\$22,717	\$811	
Black Hawk	U	431	\$1,196,709	\$2,777	471	\$617,698	\$1,311		386	\$504,493	\$1,307	
Boone**	R	65	\$112,051	\$1,724	153	\$291,886	\$1,908	x	112	\$109,470	\$977	
Bremer	U	52	\$104,802	\$2,015	109	\$271,408	\$2,490		81	\$320,572	\$3,958	
Buchanan	R	23	\$13,231	\$575	13	\$12,554	\$966		26	\$56,359	\$2,168	
Buena Vista	R	*	*	*	*	*	*		*	*	*	x
Butler	R	6	\$1,165	\$194	15	\$13,414	\$894		7	\$2,349	\$336	
Calhoun	R	14	\$2,682	\$192	0	\$0	\$0		0	\$0	\$0	
Carroll	R	9	\$1,550	\$172	80	\$58,068	\$726		25	\$23,415	\$937	
Cass	R	37	\$63,733	\$1,723	21	\$47,267	\$2,251	x	17	\$62,452	\$3,674	x
Cedar	R	16	\$17,764	\$1,110	30	\$23,093	\$770		15	\$7,240	\$483	
Cerro Gordo	R	15	\$38,892	\$2,593	142	\$107,446	\$757		45	\$93,211	\$2,071	
Cherokee	R	3	\$425	\$142	*	*	*		*	*	*	
Chickasaw	R	*	*	*	17	\$29,063	\$1,710		42	\$8,289	\$197	
Clarke	R	27	\$2,626	\$97	23	\$27,149	\$1,180		14	\$6,785	\$485	
Clay	R	17	\$3,319	\$195	51	\$88,569	\$1,737		33	\$108,742	\$3,295	x
Clayton	R	64	\$52,058	\$813	145	\$111,013	\$766		131	\$195,623	\$1,493	
Clinton	R	83	\$59,499	\$717	117	\$174,226	\$1,489		172	\$208,591	\$1,213	
Crawford	R	27	\$3,783	\$140	22	\$21,799	\$991		*	*	*	x
Dallas	U	64	\$259,703	\$4,058	261	\$2,003,742	\$7,677	x	152	\$295,085	\$1,941	

*County has fewer than 5 taxpayers receiving a tax credit award.

**Boone and Jasper Counties were classified as rural until 2018 when they were reclassified as Metropolitan Statistical Areas by the Office of Management and Budget, which reclassifies them as urban counties. They are included with urban counties in the latter period.

Urban Note: Shaded counties indicate that the county average award exceeded the statewide county average, as calculated on
Rural urban/rural designations, including counties with fewer than 5 taxpayers with tax credit award. Counties with above average award amounts in consecutive periods are indicated with an 'x' in the Repeat column.

Table 12. (cont.) Comparison of Distribution of Awards to Households by County of Residence and Urban/Rural Designation, Award Years 2006 through 2011, 2012 through 2017, and 2018 through 2022

County	Urban/ Rural	Tax Credit Awards Issued Between 2006 and 2011			Tax Credit Awards Issued Between 2012 and 2017			R e p e a t	Tax Credit Awards Issued Between 2018 and 2022			R e p e a t
		Number of Households with Awards	Total Awards	Average Award Amount	Number of Households with Awards	Total Awards	Average Award Amount		Number of Households with Awards	Total Awards	Average Award Amount	
Davis	R	0	\$0	\$0	0	\$0	\$0		*	*	*	
Decatur	R	84	\$7,595	\$90	*	*	*		26	\$24,580	\$945	
Delaware	R	69	\$49,666	\$720	252	\$111,055	\$441		185	\$59,305	\$321	
Des Moines	R	30	\$116,232	\$3,874	60	\$86,951	\$1,449	x	50	\$103,064	\$2,061	x
Dickinson	R	83	\$211,350	\$2,546	*	*	*	x	151	\$414,908	\$2,748	x
Dubuque	U	871	\$1,627,442	\$1,868	1,615	\$2,214,117	\$1,371		948	\$2,693,711	\$2,841	
Emmet	R	6	\$5,642	\$940	2	\$408	\$204		*	*	*	
Fayette	R	11	\$24,089	\$2,190	17	\$7,713	\$454		10	\$10,747	\$1,075	
Floyd	R	13	\$10,888	\$838	90	\$51,944	\$577		105	\$45,153	\$430	
Franklin	R	*	*	*	18	\$32,477	\$1,804		6	\$77,438	\$12,906	x
Fremont	R	6	\$6,750	\$1,125	13	\$6,875	\$529		13	\$8,200	\$631	
Greene	R	132	\$6,660	\$50	*	*	*		62	\$2,072	\$33	
Grundy	U	19	\$140,500	\$7,395	33	\$39,310	\$1,191		23	\$9,001	\$391	
Guthrie	U	*	*	*	24	\$43,374	\$1,807		17	\$14,638	\$861	
Hamilton	R	20	\$9,403	\$470	62	\$108,061	\$1,743		51	\$169,908	\$3,332	x
Hancock	R	5	\$58,223	\$11,645	10	\$1,760	\$176		6	\$496	\$83	
Hardin	R	89	\$123,644	\$1,389	190	\$269,399	\$1,418	x	94	\$272,014	\$2,894	x
Harrison	U	*	*	*	58	\$36,956	\$637		10	\$2,948	\$295	
Henry	R	12	\$6,141	\$512	*	*	*		5	\$6,404	\$1,281	
Howard	R	17	\$3,118	\$183	23	\$73,108	\$3,179		51	\$41,520	\$814	
Humboldt	R	8	\$6,459	\$807	3	\$1,391	\$464		*	*	*	
Ida	R	25	\$20,868	\$835	4	\$6,875	\$1,719		0	\$0	\$0	
Iowa	R	13	\$146,779	\$11,291	18	\$107,978	\$5,999	x	7	\$389	\$56	
Jackson	R	25	\$10,483	\$419	187	\$408,533	\$2,185		153	\$58,821	\$384	
Jasper**	R	16	\$23,973	\$1,498	44	\$55,979	\$1,272	x	21	\$8,944	\$426	

*County has fewer than 5 taxpayers receiving a tax credit award.

**Boone and Jasper Counties were classified as rural until 2018 when they were reclassified as Metropolitan Statistical Areas by the Office of Management and Budget, which reclassifies them as urban counties. They are included with urban counties in the latter period.

Urban Note: Shaded counties indicate that the county average award exceeded the statewide county average, as calculated on urban/rural designations, including counties with fewer than 5 taxpayers with tax credit award. Counties with above average award amounts in consecutive periods are indicated with an 'x' in the Repeat column.

Table 12. (cont.) Comparison of Distribution of Awards to Households by County of Residence and Urban/Rural Designation, Award Years 2006 through 2011, 2012 through 2017, and 2018 through 2022

County	Urban/ Rural	Tax Credit Awards Issued Between 2006 and 2011			Tax Credit Awards Issued Between 2012 and 2017			R e p e a t	Tax Credit Awards Issued Between 2018 and 2022			R e p e a t
		Number of Households with Awards	Total Awards	Average Award Amount	Number of Households with Awards	Total Awards	Average Award Amount		Number of Households with Awards	Total Awards	Average Award Amount	
Jefferson	R	*	*	*	10	\$71,222	\$7,122	x	15	\$54,708	\$3,647	x
Johnson	U	603	\$679,166	\$1,126	1,287	\$2,605,378	\$2,024		804	\$2,767,641	\$3,442	
Jones	U	18	\$6,881	\$382	122	\$114,471	\$938		88	\$158,108	\$1,797	
Keokuk	R	0	\$0	\$0	0	\$0	\$0		*	*	*	
Kossuth	R	43	\$14,704	\$342	167	\$389,080	\$2,330		57	\$401,402	\$7,042	x
Lee	R	186	\$249,302	\$1,340	154	\$742,510	\$4,821	x	43	\$103,334	\$2,403	x
Linn	U	657	\$2,177,511	\$3,314	1,221	\$3,263,630	\$2,673		613	\$2,067,187	\$3,372	
Louisa	R	21	\$4,331	\$206	105	\$13,091	\$125		32	\$19,164	\$599	
Lucas	R	13	\$840	\$65	30	\$11,800	\$393		14	\$2,057	\$147	
Lyon	R	*	*	*	0	\$0	\$0		*	*	*	
Madison	U	8	\$4,180	\$523	114	\$5,838	\$51		103	\$12,496	\$121	
Mahaska	R	8	\$3,575	\$447	22	\$13,948	\$634		11	\$49,738	\$4,522	
Marion	R	73	\$73,713	\$1,010	69	\$53,235	\$772		44	\$36,305	\$825	
Marshall	R	42	\$36,974	\$880	171	\$130,971	\$766		76	\$181,977	\$2,394	
Mills	U	10	\$14,139	\$1,414	5	\$8,493	\$1,699		9	\$36,785	\$4,087	
Mitchell	R	7	\$11,806	\$1,687	16	\$16,428	\$1,027	x	14	\$46,680	\$3,334	x
Monona	R	*	*	*	6	\$5,851	\$975		*	*	*	
Monroe	R	0	\$0	\$0	1	\$13	\$13		0	\$0	\$0	
Montgomery	R	14	\$3,565	\$255	9	\$1,593	\$177		*	*	*	
Muscatine	R	32	\$163,326	\$5,104	136	\$273,688	\$2,012	x	55	\$113,708	\$2,067	x
O'Brien	R	5	\$280	\$56	6	\$4,600	\$767		7	\$1,188	\$170	
Osceola	R	0	\$0	\$0	2	\$25,015	\$12,508		0	\$0	\$0	
Page	R	11	\$15,020	\$1,365	4	\$4,262	\$1,066	x	*	*	*	
Palo Alto	R	*	*	*	23	\$25,809	\$1,122		10	\$11,377	\$1,138	
Plymouth	R	20	\$10,206	\$510	27	\$24,198	\$896		18	\$88,710	\$4,928	

*County has fewer than 5 taxpayers receiving a tax credit award.

Urban Note: Shaded counties indicate that the county average award exceeded the statewide county average, as calculated on urban/rural designations, including counties with fewer than 5 taxpayers with tax credit award. Counties with above average award amounts in consecutive periods are indicated with an 'x' in the Repeat column.

Rural

Table 12. (cont.) Comparison of Distribution of Awards to Households by County of Residence and Urban/Rural Designation, Award Years 2006 through 2011, 2012 through 2017, and 2018 through 2022

County	Urban/ Rural	Tax Credit Awards Issued Between 2006 and 2011			Tax Credit Awards Issued Between 2012 and 2017			R e p e a t	Tax Credit Awards Issued Between 2018 and 2022			R e p e a t
		Number of Households with Awards	Total Awards	Average Award Amount	Number of Households with Awards	Total Awards	Average Award Amount		Number of Households with Awards	Total Awards	Average Award Amount	
Pocahontas	R	*	*	*	0	\$0	\$0		*	*	*	
Polk	U	516	\$4,520,595	\$8,761	1,638	\$10,715,569	\$6,542	x	1,083	\$6,689,376	\$6,177	x
Pottawattamie	U	22	\$200,294	\$9,104	91	\$290,543	\$3,193	x	122	\$310,883	\$2,548	
Poweshiek	R	257	\$142,521	\$555	737	\$307,154	\$417		402	\$122,691	\$305	
Ringgold	R	88	\$35,538	\$404	90	\$43,718	\$486		27	\$10,164	\$376	
Sac	R	9	\$2,201	\$245	*	*	*		*	*	*	
Scott	U	450	\$751,004	\$1,669	781	\$1,453,687	\$1,861		424	\$1,306,508	\$3,081	
Shelby	R	12	\$52,808	\$4,401	64	\$294,102	\$4,595	x	20	\$3,172	\$159	
Sioux	R	*	*	*	16	\$8,351	\$522		9	\$15,032	\$1,670	
Story	U	569	\$550,839	\$968	1,029	\$1,028,276	\$999		738	\$908,060	\$1,230	
Tama	R	7	\$445	\$64	9	\$10,720	\$1,191		8	\$7,938	\$992	
Taylor	R	9	\$770	\$86	*	*	*		0	\$0	\$0	
Union	R	59	\$8,365	\$142	66	\$122,576	\$1,857		49	\$8,373	\$171	
Van Buren	R	14	\$22,954	\$1,640	5	\$50,910	\$10,182	x	*	*	*	x
Wapello	R	9	\$12,945	\$1,438	*	*	*	x	*	*	*	x
Warren	U	42	\$10,173	\$242	145	\$312,994	\$2,159		74	\$53,369	\$721	
Washington	U	12	\$3,033	\$253	30	\$66,653	\$2,222		24	\$62,340	\$2,598	
Wayne	R	7	\$6,500	\$929	12	\$16,775	\$1,398		16	\$33,704	\$2,107	x
Webster	R	27	\$26,690	\$989	22	\$95,124	\$4,324	x	13	\$89,104	\$6,854	x
Winnebago	R	0	\$0	\$0	0	\$0	\$0		0	\$0	\$0	
Winneshiek	R	44	\$47,516	\$1,080	92	\$97,215	\$1,057	x	81	\$92,090	\$1,137	
Woodbury	U	54	\$229,944	\$4,258	169	\$181,695	\$1,075		69	\$1,039,756	\$15,069	
Worth	R	0	\$0	\$0	0	\$0	\$0		*	*	*	
Wright	R	47	\$16,695	\$355	64	\$60,678	\$948		21	\$8,845	\$421	
Totals		6,726	\$15,056,565	\$2,239	13,992	\$32,083,180	\$2,293		8,761	\$23,714,852	\$2,707	

*County has fewer than 5 taxpayers receiving a tax credit award.

Urban	Note: Shaded counties indicate that the county average award exceeded the statewide county average, as calculated on urban/rural designations, including counties with fewer than 5 taxpayers with tax credit award. Counties with above average award amounts in consecutive periods are indicated with an 'x' in the Repeat column.
Rural	

Source: Iowa Department of Revenue Endow Iowa award database and Individual Income Tax Returns

Table 13. Summary of Distribution of Awards to Households by County of Residence and Urban/Rural Designation

Urban/ Rural	Tax Credit Awards Issued Between 2006 and 2011			Tax Credit Awards Issued Between 2012 and 2017			Tax Credit Awards Issued Between 2018 and 2022		
	Number of Households	Total Awards	Average Award	Number of Households	Total Awards	Average Award	Number of Households	Total Awards	Average Award
Non-resident and Urban/Rural Totals*									
Non-resident	80	\$302,322	\$3,779	186	\$417,651	\$2,245	141	\$567,239	\$4,023
Urban	4,411	\$12,508,513	\$2,836	9,241	\$25,318,143	\$2,740	5,929	\$19,394,088	\$3,271
Rural	2,154	\$2,109,713	\$979	4,368	\$5,999,525	\$1,374	2,558	\$3,635,111	\$1,421
Totals	6,726	\$15,056,565	\$2,239	13,992	\$32,083,180	\$2,293	8,761	\$23,714,852	\$2,707
	Number of Counties	Percent of Urban/Rural Cohort		Number of Counties	Percent of Urban/Rural Cohort		Number of Counties	Percent of Urban/Rural Cohort	
Number of Counties and Percentage of County Cohort with Above Average Award Amount									
Urban	7	33%		3	14% (3 repeats)		6	29% (1 repeat)	
Rural	23	29%		38	49% (17 repeats)		28	36% (19 repeats)	
Number of Counties and Percentage of County Cohort with No Awards									
Urban	0	0%		0	0%		0	0%	
Rural	6	8%		7	9% (4 repeats)		6	8% (2 repeats)	
Counties in the Top 10 of Average Awards Overall									
	2006 to 2011			2012 to 2017			2018 to 2022		
R	Grundy			R	Buena Vista		R	Buena Vista	repeat top 10
R	Hancock			U	Dallas		R	Franklin	
R	Harrison			R	Iowa	repeat top 10	R	Kossuth	
R	Iowa			R	Jefferson	repeat top 10	R	Mahaska	
R	Jefferson			R	Lee		R	Plymouth	
R	Muscatine			R	Osceola		U	Polk	repeat top 10
U	Polk			U	Polk	repeat top 10	R	Van Buren	repeat top 10
U	Pottawattamie			R	Shelby	repeat top 10	R	Wapello	
R	Shelby			R	Van Buren		R	Webster	repeat top 10
U	Woodbury			R	Webster		U	Woodbury	

*Totals include counties with fewer than 5 resident awardees.

Source: Iowa Department of Revenue Endow Iowa award database and Individual Income Tax Returns

Table 14. Endow Iowa Tax Credit Awards Per Capita by County, Average 2018-2022

Per Capita Award, Average 2018-2022					
no awards	\$.00-\$.05	\$.06-\$.25	\$.26-\$.65	\$.66-\$ 1.50	\$ 1.51-\$ 5.43
Calhoun	Adair	Adams	Allamakee	Audubon	Bremer
Ida	Appanoose	Benton - U	Buchanan	Black Hawk - U	Clayton
Monroe	Butler	Carroll	Buena Vista	Boone - U	Dickinson
Osceola	Cherokee	Cedar	Cerro Gordo	Cass	Dubuque - U
Taylor	Emmet	Chickasaw	Dallas - U	Clay	Franklin
Winnebago	Greene	Clarke	Decatur	Clinton	Hamilton
	Hancock	Crawford	Des Moines	Delaware	Hardin
	Harrison - U	Davis	Floyd	Howard	Johnson - U
	Humboldt	Fayette	Guthrie - U	Jefferson	Jones - U
	Iowa	Fremont	Jackson	Marshall	Kossuth
	Jasper - U	Grundy - U	Keokuk	Mitchell	Linn - U
	Lucas	Henry	Lee	Plymouth	Polk - U
	Lyon	Madison - U	Louisa	Pottawattamie - U	Story - U
	Monona	Marion	Mahaska	Poweshiek	Woodbury - U
	Montgomery	Palo Alto	Mills - U	Scott - U	
	O'Brien	Sioux	Muscatine	Van Buren	
	Page	Tama	Ringgold	Wayne	
	Pocahontas	Union	Washington - U	Winneshiek	
	Sac	Wapello	Webster		
	Shelby	Warren - U			
	Worth	Wright			
<u>Number of Counties</u>					
Urban	0	2	4	4	7
Rural	6	19	17	15	7
	6	21	21	19	14

Source: Iowa Department of Revenue Endow Iowa award database and Iowa Data Center, "Population Change in Iowa: 2010-2020" (2020 census)

Table 15. Endow Iowa Tax Credit Claims by Tax Year, Tax Years 2006-2022

Tax Year	Carry Forward from Prior Year	Current Year Awards	Total Available	Applied Tax Credits	Expired Tax Credits	Carry Forward to Future Tax Years
2006	N/A	\$2,000,000	\$2,000,000	\$1,598,859	\$0	\$401,141
2007	\$401,141	\$1,999,997	\$2,401,138	\$1,528,004	\$0	\$873,134
2008	\$873,134	\$3,176,854	\$4,049,988	\$2,159,996	\$0	\$1,889,992
2009	\$1,889,992	\$2,394,446	\$4,284,438	\$1,882,051	\$0	\$2,402,387
2010	\$2,402,387	\$3,657,633	\$6,060,020	\$2,981,453	\$0	\$3,078,567
2011	\$3,078,567	\$4,523,397	\$7,601,964	\$3,462,002	\$217,281	\$3,922,681
2012	\$3,922,681	\$5,779,592	\$9,702,273	\$4,449,902	\$324,180	\$4,928,191
2013	\$4,928,191	\$5,999,996	\$10,928,187	\$5,450,732	\$469,848	\$5,007,607
2014	\$5,007,607	\$5,999,999	\$11,007,606	\$5,488,536	\$362,531	\$5,156,539
2015	\$5,156,539	\$6,000,000	\$11,156,539	\$4,921,514	\$728,195	\$5,506,830
2016	\$5,506,830	\$6,000,000	\$11,506,830	\$5,993,173	\$651,186	\$4,862,471
2017	\$4,862,471	\$6,000,000	\$10,862,471	\$4,911,965	\$422,544	\$5,527,962
2018	\$5,527,962	\$5,996,250	\$11,524,212	\$5,056,644	\$690,912	\$5,776,656
2019	\$5,776,656	\$6,000,000	\$11,776,656	\$4,658,530	\$730,907	\$6,387,219
2020	\$6,387,219	\$5,999,997	\$12,387,216	\$4,503,402	\$930,183	\$6,953,631
2021	\$6,953,631	\$6,000,000	\$12,953,631	\$5,879,969	\$665,606	\$6,408,056
2022*	\$6,408,056	\$6,000,000	\$12,408,056	\$3,329,331	N/A	\$9,078,725
Totals						
All Years	\$ 69,083,064	\$ 83,528,161	\$152,611,224	\$ 68,256,063	\$6,193,373	\$ 78,161,788
Averages						
2006-2011	\$1,729,044	\$2,958,721	\$4,399,591	\$2,268,728	\$36,214	\$2,094,650
Claims as Percent of Available Awards				51.6%		
2012-2017	\$4,897,387	\$5,963,265	\$10,860,651	\$5,202,637	\$493,081	\$5,164,933
Claims as Percent of Available Awards				47.9%		
2018-2021*	\$6,161,367	\$5,999,062	\$12,160,429	\$5,024,636	\$754,402	\$6,381,390
Claims as Percent of Available Awards				41.3%		
Total 2006-2021*	\$4,178,334	\$4,845,510	\$8,762,698	\$4,057,921	\$387,086	\$4,317,691
Claims as Percent of Available Awards				46.3%		

*Claims for tax year 2022 are incomplete and are excluded from the calculation of averages.

Note: Claims and awards from years 2003 through 2005 are excluded from all calculations.

Source: Iowa Department of Revenue Endow Iowa award database and Iowa Economic Development Authority.

Table 16. Timing of Claims to Endow Iowa Tax Credit Awards, Award Years 2006-2022*

Year of Tax Credit Award	Total Awards Issued	Percent Claimed in Same FY of Award	Percent Claimed in First FY After Award	Percent Claimed in Second FY After Award	Percent Claimed in Third FY After Award	Percent Claimed in Fourth FY After Award	Percent Claimed in Fifth FY After Award	Percent Claimed in Sixth FY After Award	Percent Claimed in Final FY After Award	Percent Unclaimed
2006	\$2,000,000	0.10%	52.56%	25.25%	5.64%	1.82%	2.03%	1.85%	0.00%	10.76%
2007	\$1,999,997	1.66%	38.45%	32.43%	5.29%	1.96%	1.38%	2.45%	0.15%	16.23%
2008	\$3,176,854	0.01%	45.29%	26.39%	5.94%	4.09%	1.70%	1.36%	0.07%	15.13%
2009	\$2,394,446	0.00%	36.36%	33.97%	4.14%	5.45%	1.94%	2.97%	0.02%	15.15%
2010	\$3,026,665	0.00%	51.07%	32.89%	4.04%	1.15%	0.61%	0.35%	0.21%	9.69%
2011	\$4,523,397	0.00%	44.29%	27.57%	3.16%	2.87%	1.15%	3.84%	1.82%	15.31%
2012	\$5,779,592	0.00%	41.03%	35.92%	4.84%	2.61%	1.18%	6.81%	0.29%	7.32%
2013	\$5,999,996	0.00%	56.42%	23.87%	4.42%	1.34%	1.16%	1.16%	0.11%	11.52%
2014	\$5,999,999	0.04%	46.42%	35.52%	3.52%	1.18%	0.69%	0.33%	0.12%	12.18%
2015	\$6,000,000	0.01%	45.56%	25.79%	7.85%	2.67%	1.22%	1.37%	0.02%	15.50%
2016	\$6,000,000	0.03%	35.73%	43.31%	4.43%	2.59%	1.48%	1.25%	0.10%	11.09%
2017	\$6,000,000	0.02%	34.49%	31.62%	10.40%	4.28%	2.58%	3.71%		12.90%
2018	\$5,996,250	1.53%	39.49%	28.17%	5.43%	3.20%	2.67%			19.51%
2019	\$6,000,000	0.00%	33.12%	31.72%	7.27%	10.49%				17.40%
2020	\$5,999,997	0.04%	24.65%	22.67%	15.75%					36.89%
2021	\$6,000,000	2.51%	33.75%	24.04%						39.70%
2022*	\$6,000,000	0.01%	22.57%							77.42%
Averages										
2006-2011	\$2,853,560	0.30%	44.67%	29.75%	4.70%	2.89%	1.47%	2.14%	0.38%	13.71%
2012-2017	\$5,963,265	0.02%	43.27%	32.67%	5.91%	2.44%	1.39%	2.44%	0.13%	11.73%
2018-2021*	\$5,999,062	1.02%	32.75%	26.65%	9.48%	6.85%	2.67%			20.58%
Total	\$4,806,075	0.37%	41.17%	30.07%	6.14%	3.26%	1.52%	2.29%	0.26%	14.91%

* Claims in tax year 2022 are excluded from analysis due to claims being incomplete for all tax types. Also, claims for tax year 2021 are incomplete for tax types other than Individual Income. However, those claims that were received and processed as of October, 2023, are included in totals and averages.

Note: Claims and awards from years 2003 - 2005 are excluded from all calculations.

Source: Iowa Department of Revenue Endow Iowa award database, Economic Development Authority

Table 17. Endow Iowa Tax Credit Claims by Tax Type, Tax Years 2006-2022

Tax Year	Corporate Income Tax	Franchise Tax	Individual Income Tax	Insurance Premium Tax	Moneys and Credits Tax	Total Claims
2006	\$14,471	\$544	\$1,583,731	\$113	\$0	\$1,598,859
2007	\$50,174	\$10,750	\$1,467,080	\$0	\$0	\$1,528,004
2008	\$37,065	\$12,830	\$2,110,101	\$0	\$0	\$2,159,996
2009	\$52,276	\$16,980	\$1,812,795	\$0	\$0	\$1,882,051
2010	\$72,124	\$36,990	\$2,822,339	\$50,000	\$0	\$2,981,453
2011	\$75,561	\$9,525	\$3,374,416	\$2,500	\$0	\$3,462,002
2012	\$6,523	\$15,260	\$4,427,494	\$625	\$0	\$4,449,902
2013	\$34,151	\$4,438	\$5,170,266	\$241,877	\$0	\$5,450,732
2014	\$12,306	\$16,157	\$5,211,523	\$248,550	\$0	\$5,488,536
2015	\$25,674	\$6,250	\$4,774,642	\$113,698	\$1,250	\$4,921,514
2016	\$31,758	\$3,373	\$5,953,917	\$3,375	\$750	\$5,993,173
2017	\$27,841	\$13,850	\$4,869,649	\$0	\$625	\$4,911,965
2018	\$165,285	\$1,188	\$4,890,171	\$0	\$0	\$5,056,644
2019	\$102,215	\$563	\$4,555,752	\$0	\$0	\$4,658,530
2020	\$595,525	\$9,250	\$3,898,002	\$625	\$0	\$4,503,402
2021 *	\$181,379	\$0	\$5,698,590	\$0	\$0	\$5,879,969
2022 **	\$8,231	\$0	\$3,321,100	\$0	\$0	\$3,329,331
Totals	\$1,492,559	\$157,948	\$65,941,568	\$661,363	\$2,625	\$68,256,063
Percent of Claims, All Years	2.19%	0.23%	96.61%	0.97%	0.00%	100.00%
Percent of Claims Excluding 2022*	2.29%	0.24%	96.45%	1.02%	0.00%	100.00%
<u>Averages</u>						
2006-2011	\$50,279	\$14,603	\$2,195,077	\$8,769	\$0	\$2,268,728
2012-2017	\$23,042	\$9,888	\$5,067,915	\$101,354	\$438	\$5,202,637
2018-2021*	\$261,101	\$2,750	\$4,760,629	\$156	\$0	\$5,024,636
Overall Average**	\$92,771	\$9,872	\$3,913,779	\$41,335	\$164	\$4,057,921

*Claims for tax years 2021 are incomplete for tax types other than Individual Income. However, those claims that were received and processed as of October, 2023, are included in totals and averages.

**Claims for tax year 2022 are incomplete for all tax types and are excluded from averages.

Note: Claims and awards from years 2004 and 2005 are excluded from all calculations. Franchise tax is paid by banks operating in Iowa; moneys and credits tax is paid by credit unions. Estate and trust tax is included with Individual.

Source: Iowa Department of Revenue