

### 15E.305 Endow Iowa tax credit.

1. For tax years beginning on or after January 1, 2003, a tax credit shall be allowed against the taxes imposed in [chapter 422, divisions II, III, and V](#), and in [chapter 432](#), and against the moneys and credits tax imposed in [section 533.329](#) equal to twenty-five percent of a taxpayer's endowment gift to an endow Iowa qualified community foundation. An individual may claim a tax credit under [this section](#) of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust. A tax credit shall be allowed only for an endowment gift made to an endow Iowa qualified community foundation for a permanent endowment fund established to benefit a charitable cause in this state. The amount of the endowment gift for which the tax credit is claimed shall not be deductible in determining taxable income for state income tax purposes. Any tax credit in excess of the taxpayer's tax liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever occurs first. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit.

2. The aggregate amount of tax credits authorized pursuant to [this section](#) shall not exceed a total of three million dollars plus such additional credit amount as provided by [this section](#) annually. The maximum amount of tax credits granted to a taxpayer shall not exceed five percent of the aggregate amount of tax credits authorized.

a. Ten percent of the aggregate amount of tax credits authorized in a calendar year shall be reserved for those endowment gifts in amounts of thirty thousand dollars or less. If by September 1 of a calendar year the entire ten percent of the reserved tax credits is not distributed, the remaining tax credits shall be available to any other eligible applicants.

b. For purposes of [this subsection](#), the additional credit amount shall be an amount for each applicable calendar year determined by the department of revenue equal to the amount of money credited as provided by [section 99F.11, subsection 3](#), paragraph "d", subparagraph (3), for the prior fiscal year.

3. A tax credit shall not be transferable to any other taxpayer.

4. The department shall develop a system for registration and authorization of tax credits under [this section](#) and shall control the distribution of all tax credits to taxpayers providing an endowment gift subject to [this section](#). The department shall adopt administrative rules pursuant to [chapter 17A](#) for the qualification and administration of endowment gifts.

2003 Acts, 1st Ex, ch 2, §83, 89; 2005 Acts, ch 150, §74 – 77, 81; 2006 Acts, ch 1151, §1 – 3, 7, 8; 2007 Acts, ch 174, §89; 2008 Acts, ch 1032, §201; 2009 Acts, ch 179, §105, 106, 153

Referred to in [§99F.11](#), [422.11H](#), [422.33](#), [422.60](#), [432.12D](#), [533.329](#)

2005 amendments to this section take effect June 9, 2005, and apply retroactively to January 1, 2005; intent regarding issuance of tax credits; 2005 Acts, ch 150, §80, 81

2006 amendments to subsection 2, 2006 amendment striking subsection 4, and 2006 amendment striking future repeal of this section take effect July 1, 2007; 2006 Acts, ch 1151, §8

2009 amendments to subsections 1 and 2 take effect January 1, 2010, and apply to tax years beginning on or after that date; 2009 Acts, ch 179, §153