

CHAPTER 47  
ENDOW IOWA TAX CREDITS

**261—47.1(15E) Purpose.** The purpose of endow Iowa tax credits is to encourage individuals, businesses, and organizations to invest in community foundations and to enhance the quality of life for citizens of this state through increased philanthropic activity.

[ARC 8474B, IAB 1/13/10, effective 2/17/10; ARC 0008C, IAB 2/8/12, effective 3/14/12]

**261—47.2(15E) Definitions.**

“*Authority*” means the economic development authority.

“*Community affiliate organization*” means a group of five or more community leaders or advocates organized for the purpose of increasing philanthropic activity in an identified community or geographic area in the state with the intention of establishing a community affiliate endowment fund.

“*Endow Iowa qualified community foundation*” means a community foundation organized or operating in this state that substantially complies with the national standards for U.S. community foundations established by the National Council on Foundations as determined by the authority in collaboration with the Iowa Council of Foundations.

“*Endowment gift*” means an irrevocable contribution to a permanent endowment held by an endow Iowa qualified community foundation.

“*Permanent endowment fund*” means a fund held in an endow Iowa qualifying community foundation to provide benefit to charitable causes in the state of Iowa. Endowed funds are intended to exist in perpetuity, and to implement an annual spend rate not to exceed 5 percent.

“*Tax credit*” means the amount a taxpayer may claim against the taxes imposed in Iowa Code chapter 422, subchapters II, III, and V, and in Iowa Code chapter 432, and against the moneys and credits tax imposed in Iowa Code section 533.329.

[ARC 8474B, IAB 1/13/10, effective 2/17/10; ARC 0008C, IAB 2/8/12, effective 3/14/12; ARC 6793C, IAB 1/11/23, effective 2/15/23]

**261—47.3(15E) Authorization of tax credits to taxpayers.** The authority shall authorize tax credits to qualified taxpayers who provide an endowment gift to an endow Iowa qualified community foundation or a community affiliate organization affiliated with an endow Iowa qualified community foundation for a permanent endowment fund within the state of Iowa in accordance with the following provisions:

**47.3(1)** Approved tax credits shall be allowed against taxes imposed in Iowa Code chapter 422, subchapters II, III, and V, and in Iowa Code chapter 432, and against the moneys and credits tax imposed in Iowa Code section 533.329.

**47.3(2)** Tax credits will be equal to 25 percent of a taxpayer’s gift to a permanent endowment held in an endow Iowa qualified community foundation. The amount of the endowment gift for which the endow Iowa tax credit is claimed shall not be deductible in determining taxable income for state income tax purposes.

**47.3(3)** If the authority receives applications for tax credits in excess of the amount available, the applications shall be prioritized by the date the authority received the applications. Applications received on or before June 30, 2023, will be placed on a waitlist for a subsequent year’s allocation of tax credits if the number of applications exceeds the amount of annual tax credits available. Applications placed on the waitlist shall first be funded in the order listed on the waitlist. Applications received on or after July 1, 2023, in excess of the amount of tax credits available will not be placed on the waitlist and will be denied by the authority. For endowment gifts made on or after June 30, 2023, a taxpayer shall submit an application to the authority for the tax credit no later than 12 months from the date of the donation which qualifies the taxpayer for the tax credit.

**47.3(4)** To receive the tax credit, a donor shall file a claim with the department of revenue in accordance with any applicable administrative rules adopted by the department.

[ARC 8474B, IAB 1/13/10, effective 2/17/10; ARC 0008C, IAB 2/8/12, effective 3/14/12; ARC 0613C, IAB 2/20/13, effective 3/27/13; ARC 6793C, IAB 1/11/23, effective 2/15/23; ARC 7492C, IAB 1/10/24, effective 2/14/24]

**261—47.4(15E) Distribution process and review criteria.** The authority shall develop and make available a standardized application pertaining to the allocation of endow Iowa tax credits.

**47.4(1)** Twenty-five percent of the annual amount available for tax credits shall be reserved for those permanent endowment gifts made to community affiliate organizations. If by September 1 of any year the entire 25 percent reserved for permanent endowment gifts corresponding to community affiliate organizations is not allocated, the amount remaining shall be available for other applicants.

**47.4(2)** Ten percent of the annual amount available for tax credits shall be reserved for those permanent endowment gifts totaling \$30,000 or less. If by September 1 of any year the entire 10 percent reserved for permanent endowment gifts totaling \$30,000 or less is not allocated, the amount remaining shall be available for other applicants.

**47.4(3)** Applications will be accepted and awarded on an ongoing basis. The authority will make public by June 1 and December 1 of each calendar year the total number of requests for tax credits and the total amount of requested tax credits that have been submitted and awarded.

[ARC 8474B, IAB 1/13/10, effective 2/17/10; ARC 0008C, IAB 2/8/12, effective 3/14/12]

**261—47.5** Rescinded ARC 6973C, IAB 1/11/23, effective 2/15/23

[ARC 8474B, IAB 1/13/10, effective 2/17/10; ARC 0008C, IAB 2/8/12, effective 3/14/12]

These rules are intended to implement Iowa Code sections 15E.301 to 15E.303 and 15E.305 as amended by 2022 Iowa Acts, House File 2317.

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