

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, subchapters 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 five hundred thousand dollars annually.

a. The maximum amount of tax credits granted to a taxpayer shall not exceed fifty thousand dollars.

b. 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.

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

4. In addition to the other eligibility requirements for receiving a tax credit under [this section](#), to be eligible to receive a tax credit pursuant to [this section](#) all of the following must apply:

a. The endow Iowa qualified community foundation and permanent endowment fund do not contain the name of a corporation or other business entity.

b. The endow Iowa qualified community foundation submitted a report to the general assembly by January 31 detailing the specific grants provided during the calendar year preceding the applicable tax year.

c. The community foundation that administers a permanent endowment fund for which a taxpayer requests a tax credit has provided any information requested by the authority to verify whether a contribution to the permanent endowment fund is eligible for the tax credit.

5. The authority 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 authority 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; 2010 Acts, ch 1138, §17 – 19; 2011 Acts, ch 107, §1, 2; 2011 Acts, ch 118, §87, 89; 2013 Acts, ch 126, §11, 13, 14; 2020 Acts, ch 1062, §94; 2022 Acts, ch 1002, §48, 54, 55; 2023 Acts, ch 66, §3; 2025 Acts, ch 136, §92 – 94, 98, 99

Referred to in §2.48, 422.11H, 422.33, 422.60, 432.12D, 533.329

2022 amendment to subsection 2, paragraph a effective January 1, 2023, and applies to tax years beginning on or after January 1, 2023, except as provided by 2023 Acts, ch 162, §6, 7; 2022 Acts, ch 1002, §54, 55; 2023 Acts, ch 162, §6 – 9

2025 amendment to subsection 2, unnumbered paragraph 1 applies to tax years beginning on or after January 1, 2026; 2025 Acts, ch 136, §99

2025 amendment to subsection 2, paragraph a applies to tax years beginning on or after January 1, 2026; 2025 Acts, ch 136, §99

Subsection 4 applies to tax years beginning on or after January 1, 2026; 2025 Acts, ch 136, §99

2025 amendment to subsection 2, unnumbered paragraph 1 effective January 1, 2026; 2025 Acts, ch 136, §98

2025 amendment to subsection 2, paragraph a effective January 1, 2026; 2025 Acts, ch 136, §98

Subsection 4 effective January 1, 2026; 2025 Acts, ch 136, §98

Subsection 2, unnumbered paragraph 1 amended

Subsection 2, paragraph a amended

NEW subsection 4 and former subsection 4 renumbered as 5