

CHAPTER 47
ENDOW IOWA TAX CREDITS

Chapter rescission date pursuant to Iowa Code section 17A.7: 5/20/31

261—47.1(15E) Purpose. The purpose of endow Iowa tax credits is to encourage investment in community foundations to enhance the quality of life for residents through philanthropic activity.
[ARC 0206D, IAB 4/15/26, effective 5/20/26]

261—47.2(15E) Definitions.

“Authority” means the economic development authority created pursuant to Iowa Code section 15.105.

“Community affiliate organization” means the same as defined in Iowa Code section 15E.303.

“Corporation or other business entity” means any business organized for profit or a nonprofit entity that includes the name of a business organized for profit.

“Endow Iowa qualified community foundation” means the same as defined in Iowa Code section 15E.303.

“Endowment gift” means the same as defined in Iowa Code section 15E.303.

“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. “Permanent endowment fund” does not include a fund that contains the name of a corporation or other business entity on or after June 6, 2025.

“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.

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261—47.3(15E) Authorization of tax credits to taxpayers. The authority shall authorize tax credits to qualified taxpayers pursuant to the provisions of Iowa Code section 15E.305.

47.3(1) If the authority receives applications for tax credits in excess of the amount available pursuant to Iowa Code section 15E.305(2), the applications shall be prioritized by the date the authority received the applications. Applications received in excess of the amount of tax credits available will be denied by the authority. A taxpayer shall submit an application to the authority for the tax credit no later than 12 months from the date of the donation that qualifies the taxpayer for the tax credit.

47.3(2) An individual who intends to claim a tax credit of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual will only be issued a tax credit if the individual submits an application as an individual. Alternatively, an individual may claim a portion of a tax credit issued to the partnership, limited liability company, S corporation, estate, or trust. The maximum amount of tax credits that may be issued to a taxpayer pursuant to Iowa Code section 15E.305(2)“a” will be applied to each tax credit issued, whether issued to an individual or partnership, limited liability company, S corporation, estate, or trust.

47.3(3) For donations made on or after January 1, 2026, the authority will verify that the requirements in Iowa Code section 15E.305(4) are met prior to issuance of a tax credit. For donations made on or after January 1, 2026, the endow Iowa qualified community foundation that administers a permanent endowment fund for which a taxpayer requests a tax credit must demonstrate that the endow Iowa qualified community foundation does not collect administrative fees or other fees that exceed 5 percent of the amount of any permanent endowment fund it holds. An endow Iowa qualified community foundation shall provide documentation demonstrating compliance with the fee cap upon request by the authority.

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 0206D, IAB 4/15/26, effective 5/20/26]

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) Of the annual amount available for tax credits, 25 percent 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) The authority will ensure the reservation of tax credits for endowment gifts of \$30,000 pursuant to Iowa Code section 15E.305(2) “b.”

47.4(3) Applications will be accepted and awarded on an ongoing basis. The authority will provide information on the available allocation of tax credits on its website.

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These rules are intended to implement Iowa Code chapter 15E, subchapter XXII.

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