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[SF 94](#) – Hoover Presidential Library Tax Credit (LSB1352XS)  
Staff Contact: Jeff Robinson (515.281.4614) [jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov)  
Fiscal Note Version – New

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### **Description**

[Senate File 94](#) creates a Hoover Presidential Library Tax Credit. The new income tax credit is available to Iowa taxpayers who donate to the Hoover Presidential Library and Museum Renovation Project Fund. The tax credit equals 25.0% of the donated amount. The total amount of tax credits awarded is limited to \$5.0 million in aggregate. The maximum credit a taxpayer may earn is \$250,000. Any donation to the Fund that earns a credit may not be used as an itemized deduction for Iowa income tax purposes.

The credit is applicable to individual, corporate, franchise, insurance premium, and moneys and credits taxes. The credit is not refundable or transferable. The credit is available for tax years 2021 through 2023, or until the full \$5.0 million has been awarded. Unused credits may be carried forward for up to five additional tax years.

### **Assumptions**

- Sufficient demand exists to fully utilize the \$5.0 million aggregate award amount during the first tax year available (tax year 2021).
- Tax credits awarded for tax year 2021 will first impact FY 2022.
- The tax credit redemption pattern for the Hoover Presidential Library Tax Credit will be similar to the redemption pattern for the Endow Iowa Tax Credit. The Department of Revenue reports that the redemption pattern for the Endow Iowa Tax Credit is:
  - Year one = 43.0%
  - Year two = 31.0%
  - Year three = 5.0%
  - Year four = 3.0%
  - Year five = 1.5%
  - Year six = 1.5%
  - Expiring without redemption = 15.0%
- As a tax credit that is not refundable, the new tax credit will impact the calculation of any local option income surtax. Surtaxes are estimated to average 3.0% of State income tax liability.

### **Fiscal Impact**

The new Hoover Presidential Library Tax Credit is projected to reduce General Fund revenue by the amounts in the following table.

<b>Projected Net General Fund Revenue Change</b>	
In Millions	
	<u>Amount</u>
FY 2022	\$ -2.2
FY 2023	-1.6
FY 2024	-0.3
FY 2025	-0.2
FY 2026	-0.1
FY 2027	-0.1

The new tax credit is also projected to reduce the amount of revenue raised by any local option income surtax. The reduction over six fiscal years is estimated to be \$135,000.

The Department of Revenue estimates that the new tax credit will result in \$90,000 in expenditures for administrative rulemaking, computer programming, and tax form updates.

**Sources**

Hoover Presidential Foundation  
Department of Revenue

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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