Legislative Services Agency
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Fiscal Services Division

Fiscal Topic

Tax Credit: Endow Iowa Tax Credit

November 10, 2026

Purpose

The Endow Iowa Tax Credit is equal to 25.0% of a taxpayer's gift to a permanent endowment fund within a qualified community foundation for the benefit of Iowa charitable causes. As of January 1, 2026, the tax credit is allowed for up to $50,000 for a single taxpayer. Ten percent of the aggregate annual award limit each year is reserved for gifts in amounts of $30,000 or less, but after September 1, if the entire 10.0% amount is not awarded, the remaining tax credits are available to any gift size.

The Iowa Economic Development Authority (IEDA) awards credits up to a calendar year (CY) cap of $3.5 million beginning in CY 2026. The tax credit can be claimed against corporate income tax, individual income tax, franchise tax, insurance premium tax, and money and credits taxes. Credits are awarded on a first-come, first-served basis.

Tax Credit Background

- Enabling Legislation: 2003 Iowa Acts, chapter 2 (Miscellaneous Appropriations and Revisions, Sales and Use Tax Revisions, Criminal Code Revisions, and Other Changes Act)
- Iowa Code Citations:
  - Section 15E.305 — Program Description
  - Section 422.11H — Individual Income Tax
  - Section 422.33(14) — Corporate Income Tax
  - Section 422.60(6) — Franchise Tax
  - Section 432.12D — Insurance Premium Tax
  - Section 533.329(2)(f) — Moneys and Credits Tax
- Administrative State Agencies: IEDA and Iowa Department of Revenue (IDR)
- Sunset Date: None
- Transferable: No
- Refundable: No
- Carryforward: Any credit in excess of the tax liability may be carried forward for up to five years.
- Tax Review Committee Review Year: None

Legislative History

The Endow Iowa Tax Credit became effective January 1, 2003, with an initial credit of 20.0%. Effective January 1, 2010, the amount of the credit was increased to 25.0% of the endowment gift but the contribution was no longer able to be taken as an itemized deduction on the Iowa tax return. Effective for CY 2011, the credit cap was increased from $2.7 million to $3.5 million plus a percentage of gaming revenues. Effective for CY 2012, the program tax credit cap was increased to $6.0 million but the additional funds available from the tax imposed on gambling games were eliminated.

Effective January 1, 2023, the maximum amount of credits an individual taxpayer could receive was modified from 5.0% ($300,000) of the aggregate amount of tax credits to $100,000. The program tax credit cap was increased to $13.0 million for CY 2023 and returned to $6.0 million in CY 2024 and CY 2025. Effective January 1, 2026, the credit cap was decreased to $3.5 million and the maximum amount of credits an individual taxpayer could receive was reduced to $50,000.

Tax Credit Review, Usage, and Future Liability

The following is based on an IDR review of the Endow Iowa Tax Credit released December 2023:

- From CY 2018 to CY 2022, the average number of tax credit awards each year has been 2,659.
- Since the inception of the program through CY 2022, nearly $360.0 million in eligible donations were made by taxpayers awarded the Endow Iowa Tax Credit.
- Over the lifetime of the tax credit, the average donation has been $7,900.
- The majority of taxpayers who make qualifying donations are 65 years of age or older.

The IDR reports on the annual credit usage for the Endow Iowa Tax Credit in its periodic Contingent Liabilities Report. Based on Table 8 of the report, the following figures provide credit redemption history and projections for the program on a fiscal year basis. The blue bars of **Figure 2** indicate the actual credit redemptions, while the red bars are the IDR projections of future redemptions.

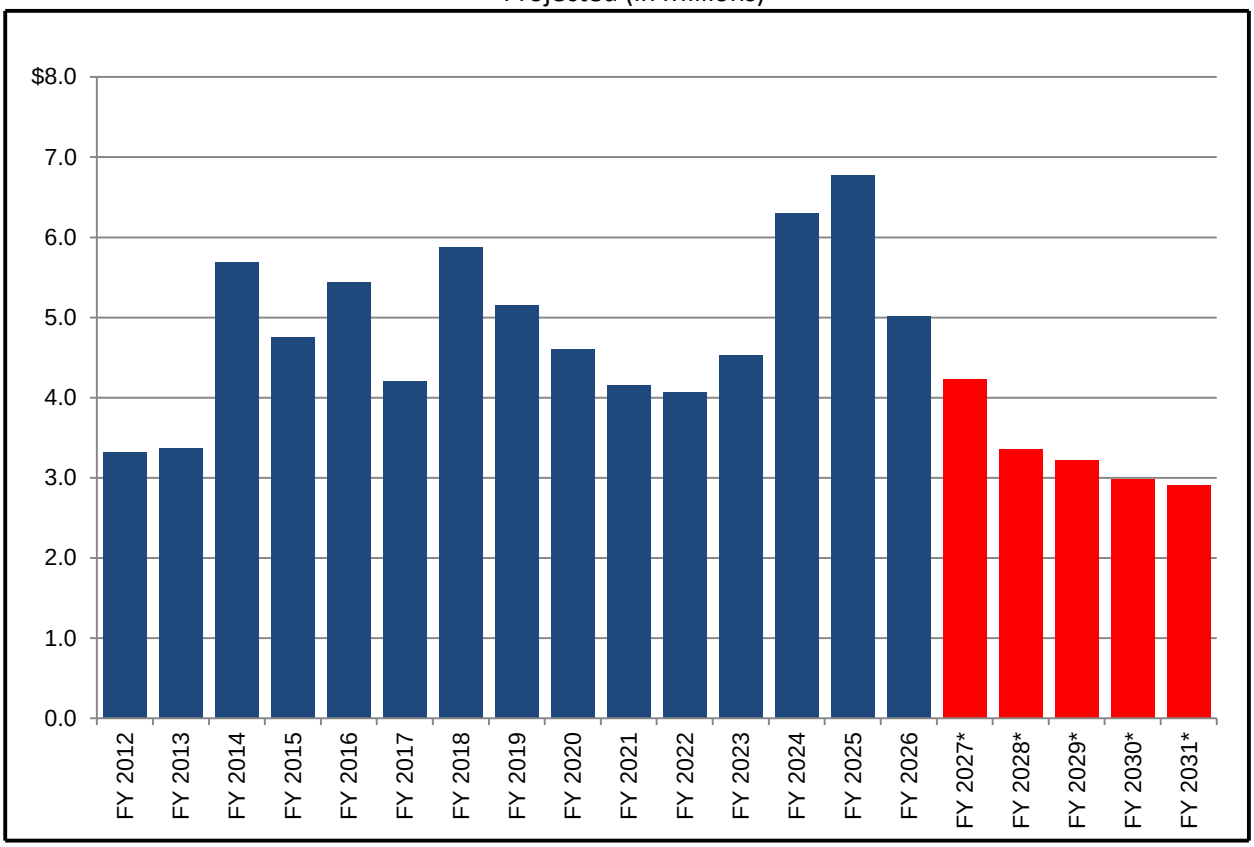
Figure 1 — Endow Iowa Tax Credit History

*Projected

Fiscal Year	Tax Credit Redemptions	Fiscal Year	Tax Credit Redemptions
FY 2012	$ 3,319,270	FY 2022	$ 4,065,101
FY 2013	3,374,737	FY 2023	4,534,786
FY 2014	5,685,974	FY 2024	6,304,781
FY 2015	4,756,854	FY 2025	6,773,250
FY 2016	5,437,793	FY 2026	5,019,750
FY 2017	4,205,729	FY 2027*	4,225,736
FY 2018	5,874,393	FY 2028*	3,355,466
FY 2019	5,153,503	FY 2029*	3,213,365
FY 2020	4,601,375	FY 2030*	2,985,182
FY 2021	4,161,066	FY 2031*	2,908,358

Figure 2 — Endow Iowa Tax Credit Redemptions

*Projected (in Millions)



Additional Information

For additional information, visit:

- Iowa Department of Revenue Contingent Liabilities Report
- Iowa Department of Revenue Tax Credit Review
- Iowa Department of Revenue Tax Credit Users' Manual
- Legislative Services Agency Individual Income Tax Guide

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Doc ID 1617067