



Endow Iowa Tax Credit Program

Tax Expenditure Committee | January 8, 2019

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Endow Iowa Tax Credit program

- Created in 2003 to:
 - “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”
- Provides a state tax credit to those making contributions to a permanently endowed fund at a qualified community foundation or affiliate organization
- Taxpayers can receive a 25% tax credit on their contribution

Endow Iowa Tax Credit program

- Contributions may be of any size; maximum tax credit allowed to a taxpayer is \$300,000 annually
- 10% of annual cap is reserved for donations under \$30,000 to ensure smaller donors receive credits
- IEDA awards credits on a first come, first served basis
- Since 2012, program has had an annual cap of \$6 million

Endow Iowa Tax Credit program

- Endow Iowa tax credits are non-refundable and non-transferable; may be carried forward for up to 5 years
- Credits may be used toward state corporate income, individual income, franchise, insurance premium and moneys and credits taxes
- Credits may not be “carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit”

Endow Iowa Tax Credit program

- IEDA works with Iowa's community foundations to manage the Endow Iowa program
- Foundations apply to IEDA on behalf of their donors to receive tax credits
- IEDA awards tax credits on an ongoing basis, until the annual cap is reached
- Once the annual cap is reached, IEDA compiles a wait list for donors to receive tax credits in the next year

Endow Iowa Tax Credit status

- The program continues to see high demand; in 2018, the \$6 million cap was met in February
- Currently, about \$900,000 is available in 2019 credits for the remainder of the calendar year
- \$5.1 million of the 2019 allocation has been allocated to donors on the 2018 wait list for credits

Endow Iowa Tax Credit 2018 Impacts

- \$6 million in Endow Iowa Tax Credits were awarded
- Credits awarded leveraged approximately \$24 million in donations
- Donations were made by 3,434 separate donors; of which 3,155 were individual donors
- Approximately 76 community foundations and affiliate organizations received donations
- Iowa's community foundations reported 6.89% growth in permanent endowment assets from FY 2017

Source: IEDA and the Iowa Council of Foundations

- Cedar Falls Community Foundation
- Community Foundation of Carroll County
- Community Foundation of Greater Des Moines
- Community Foundation of Greater Dubuque
- Community Foundation of Greater Muscatine
- Community Foundation of Johnson County
- Community Foundation of Northeast Iowa
- Fort Dodge Community Foundation and United Way
- Greater Cedar Rapids Community Foundation
- Greater Poweshiek Community Foundation
- Keokuk Area Community Foundation
- Community Foundations of Southwest Iowa (Omaha Community Foundation)
- Pella Community Foundation
- Pottawattamie County Community Foundation
- Quad Cities Community Foundation
- Siouxland Community Foundation
- South Central Iowa Community Foundation





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