

School Tuition Organization Tax Credit

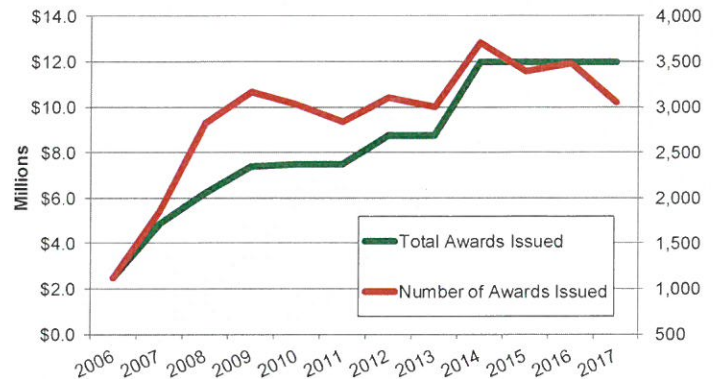
Tax Credit Description

A tax credit equal to 65 percent of a voluntary cash or non-cash contribution made to one of 12 School Tuition Organizations (STO) is available. Contributions are not deductible from Iowa taxable income. Enacted in 2006, total tax credit awards were capped at \$2.5 million; the cap was raised over the years to \$13 million effective in 2019. Credits are nonrefundable but any credit in excess of tax liability can be carried forward up to five tax years or until depleted. The STOs must use at least 90% of contributions to fund tuition grants for children in households with income up to 300 percent of the federal poverty guidelines (400 percent in 2019) to attend an accredited, nonpublic school in Iowa.

TY 2017 STO Fast Facts

- **\$18.5 Million in Total Contributions**
- **3,484 Tax Credit Awards Issued**
- **\$12.0 Million in Total Awards Issued**
- **10,771 Tuition Grants Issued**
- **\$17.0 Million in Tuition Grants Issued**

Tax Credit Award Statistics by Program Year

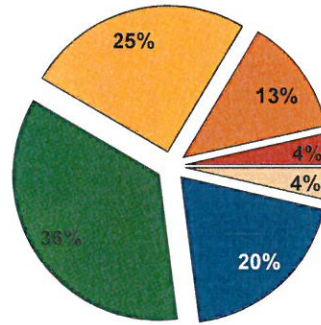
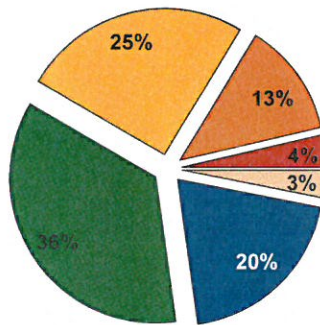
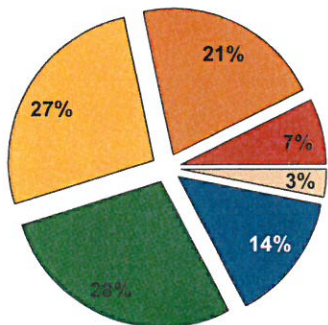


Distribution of Tuition Grants and Financial Aid Need by Family Income

Share of Tuition Grants

Share of Financial Aid Need

Share of Tuition Grant Amount



- \$0 or Less
- \$1.00 - \$20,000
- \$20,000 - \$40,000
- \$40,000 - \$60,000
- \$60,000 - \$80,000
- Greater than \$80,000

Source: Iowa Department of Revenue analysis of subset of Tuition Grant Data for School Year 2016-2017

Median Family Income of Tuition Grant Recipients, TY 2016

\$44,000



STO Tax Credit Awards by School District, TY 2017

