

# ENDOW IOWA TAX CREDITS



*The Story County Community Foundation is a qualified community foundation that provides access to Endow Iowa Tax Credits. The Endow Iowa Tax Credit program allows taxpayers to receive a 25% Iowa tax credit.*

## **Endow Iowa Qualified Charitable Gifts Must Be Made:**

- Through a qualified community foundation.
- To a permanent endowment fund with a limited annual distribution of 5%.
- For the benefit of one or more Iowa charitable causes.
- By individuals, businesses or financial institutions.

## **How it Works:**

- A variety of gifts qualify for Endow Iowa Tax Credits including cash, real estate, farmland, appreciated securities and outright gifts of retirement assets.
- Tax credits of 25% of the gifted amount are limited to \$300,000 in tax credits per individual for a gift of \$1.2 million or \$600,000 in tax credits per couple for a gift of \$2.4 million if both are Iowa taxpayers. No minimum gift amount is required to qualify for Endow Iowa Tax Credits.
- Endow Iowa Tax Credits are available on a first-come/first-serve basis until the yearly appropriated limit is reached. If the current year's tax credits have been exhausted, qualified donors are eligible for the next year's Endow Iowa Tax Credits.
- All qualified donors have five years to use their Endow Iowa Tax Credits.
- Consult your tax advisor regarding the federal deductibility of Endow Iowa qualified contributions.



**The Endow Iowa Tax Credit program promotes gifts to qualified permanent endowments by awarding up to 25 percent of the amount donated as a state tax credit, when making a gift through Iowa community foundations.**

The goal of Endow Iowa is to encourage sustainable support for our state's nonprofits to ensure they have the resources necessary to improve quality of life for generations to come.

With gifts made through Endow Iowa totaling more than \$264 million in the first 15 years, the charitable passions of Iowans is clear. This innovative legislation will continue to benefit future Iowans thanks to gifts made to endowments today.



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**The Power of Endowment**

**Year 1**

Establish a Named Endowment Gift

\$10,000 Gift



**Year 15**

\$8,700 donated from your endowment to charitable causes

\$14,000 fund balance



**Year 25**

\$17,000 donated from your endowment to charitable causes

\$17,500 fund balance



Assumes a 5% annual payout and an 8.5% rate of return. This is for illustration purposes only.

**Endow Iowa Tax Credit Illustration**

Gift Amount	\$1,000	\$10,000	\$100,000
Endow Iowa Tax Credit (25%)	-250	-2,500	-25,000
Net Federal Deductible Gift	750	7,500	75,000
Federal Tax Savings (37%)	-277.50	-2,775	-27,750
Net Cost of Gift*	\$472.50	\$4,725	\$47,250

*\*Disclaimer:* For ease of illustration, the examples above do not factor in the federal/state net tax effect. Examples assume the donor is in the 37% tax bracket.

**Create a Legacy of Giving in 5 Simple Steps**

1. Contact Us	2. Give a Gift	3. Choose an Endow Iowa Fund	4. Complete an Endow Iowa Application	5. Redeem Your Endow Iowa Tax Credit
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**For more information contact the Story County Community Foundation at 515.232.9200.**

*\*Disclaimer:* This document contains general information about legal issues and tax issues. It does not contain legal advice and/or tax advice to any person. All donors should consult with their professional advisor regarding current tax regulations.