



# ENDOW IOWA

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**FOR GOOD. FOR IOWA. FOR EVER.**



IOWA  
COMMUNITY  
FOUNDATIONS

# ENDOW IOWA TAX CREDIT PROGRAM



*Iowans are giving more to endowed funds at Iowa Community Foundations each year.*



RESULTED IN:  
**\$1.0M**  
CARRY OVER  
TAX CREDITS

2013

LEAVING ONLY  
**\$4.96M**  
AVAILABLE FOR 2014



RESULTED IN:  
**\$1.5M**  
CARRY OVER  
TAX CREDITS

2014

LEAVING ONLY  
**\$4.5M**  
AVAILABLE FOR 2015



RESULTED IN:  
**\$1.3M**  
CARRY OVER  
TAX CREDITS

2015

LEAVING ONLY  
**\$4.7M**  
AVAILABLE FOR 2016



RESULTED IN:  
**\$2.8M**  
CARRY OVER  
TAX CREDITS

2016

LEAVING ONLY  
**\$3.2M**  
AVAILABLE FOR 2017

## 2017 LEGISLATIVE SESSION

# REQUEST

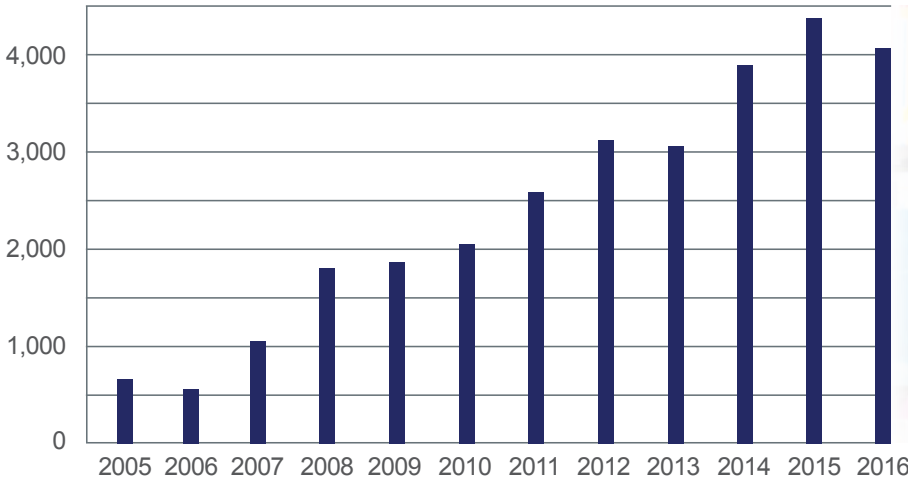
- Requesting legislation that would increase the annual limit of Endow Iowa tax credits available from \$6 million to \$8 million
- Increase needed to keep up with the demand of this worthwhile program
- More tax credits mean more endowed assets for Iowa's future

Working to grow assets & engage a variety of donors, benefiting every county in Iowa.

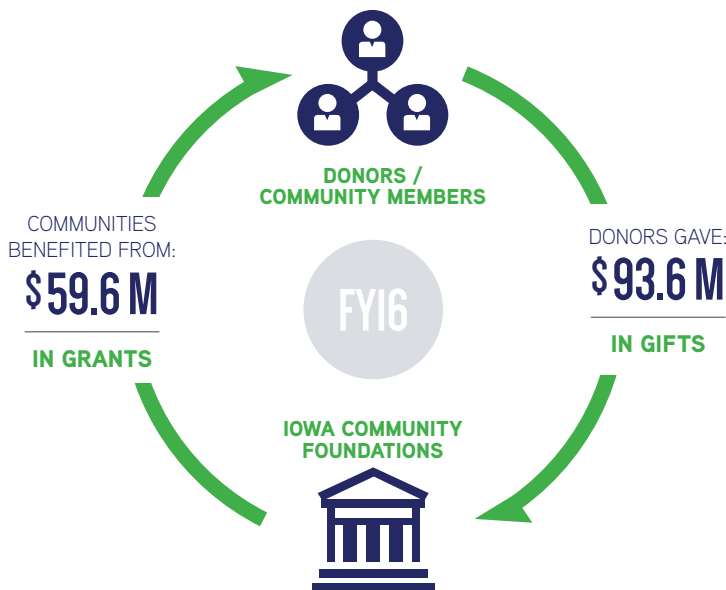
**GROWTH OF ENDOWED ASSETS AT ACCREDITED COMMUNITY FOUNDATIONS AND THEIR COUNTY AFFILIATES:**

**2005** \$ 95,657,632    >>    **2016** \$710,799,275    >>    **TOTAL GROWTH** \$615,141,645    =    **643% GROWTH**

**NUMBER OF ENDOW IOWA GIFTS YEAR OVER YEAR:**



Continuous growth for our communities, through Iowa Community Foundations.



**BENEFITS OF THE ENDOW IOWA TAX CREDIT PROGRAM:**

- **STRENGTHENS** communities through philanthropy
- **DEVELOPS** local community leadership
- **CREATES** charitable giving vehicles in communities of all sizes
- **KEEPS DOLLARS IN IOWA** and invests in Iowa's future
- **PROVIDES** a new opportunity for collaboration
- **ENCOURAGES** contributions that provide support now and in the future
- The State of Iowa is a **NATIONAL LEADER** in supporting and promoting philanthropy.

IOWA COMMUNITY FOUNDATIONS ENDOWMENTS GREW >> **4.84% IN FY16**

## HOW THE PROGRAM WORKS

- Endow Iowa Tax Credits allow donors to have an even greater impact on their charitable interests in their community now and in the future.
- Eligible gifts qualify for credits on a first-come/first-served basis until the yearly appropriated limit is reached. If the current available Endow Iowa Tax Credits have been awarded, qualified donors will be eligible for the next year's Endow Iowa Tax Credits. Community foundations encourage donors to act early in the year to ensure they receive Endow Iowa credits.
- All qualified donors have five years to use their Endow Iowa Tax Credits.
- Tax credits of 25% of the gifted amount are limited to \$300,000/person or \$600,000/couple if both are Iowa taxpayers.

### **The charitable gifts must be made:**

- To a permanent endowment fund which limits distributions to 5%.
- For the benefit of one or more Iowa charitable causes.
- By individuals, corporations or financial institutions.
- Through a qualified community foundation that is confirmed in compliance with National Standards for U.S. Community Foundations.

*This is an exciting program that benefits both donors and charities in Iowa.*

### **Below is an approximation of the net after-tax costs of establishing a fund:**

<b>Cash Gift</b> (examples of different gift amounts)	<b>\$ 1,000</b>	<b>\$10,000</b>
Less tax benefits:		
• Net federal tax savings (approximated assuming 35% tax bracket)	-\$ 350	-\$ 3,500
• Endow Iowa Tax Credit (before federal tax effect)	-\$ 250	-\$ 2,500
<b>Net cost of contribution</b>	<b>\$ 400</b>	<b>\$ 4,000</b>

*Gifts of appreciated assets: The net cost could be even lower if capital gains taxes and/or alternative minimum taxes are avoided.*



## NATIONALLY ACCREDITED IOWA COMMUNITY 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  
 Community Foundation of the Great River Bend  
 Community Foundations of Southwest Iowa/Omaha Community Foundation

Fort Dodge Community Foundation & United Way  
 Greater Cedar Rapids Community Foundation  
 Greater Poweshiek Community Foundation  
 Keokuk Area Community Foundation  
 Pella Community Foundation  
 Pottawattamie County Community Foundation  
 Siouxland Community Foundation  
 South Central Iowa Community Foundation