2016 LEGISLATIVE SESSION REVIEW:
• SSB 1104 & HSB 241 sought to increase the Endow Iowa tax credits
• Both bills were unanimously voted out of their Ways and Means subcommittees
• Bills failed to move forward due to the lack of available funding allocations within the committees

2016 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 affiliates since the beginning of Endow Iowa.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Growth</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$95,657,632</td>
<td>819%</td>
</tr>
<tr>
<td>2016</td>
<td>$879,189,129</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$783,531,497</td>
<td></td>
</tr>
</tbody>
</table>

NUMBER OF ENDOw IOWA GIFTS YEAR OVER YEAR

BENEFITS OF THE ENDOw IOWA TAX CREDIT PROGRAM
• STRENGTHENS communities through philanthropy
• DEVELOPS local community leadership
• CREATES philanthropic 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
HOW THE PROGRAM WORKS

• Endow Iowa Tax Credits allow donors to have even greater impact on their philanthropic interests in their community now and into the future.

• Eligible gifts will qualify for credits on a first-come/first-serve 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. The Community Foundation encourages 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:

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

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

QUALIFIED COMMUNITY FOUNDATIONS

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