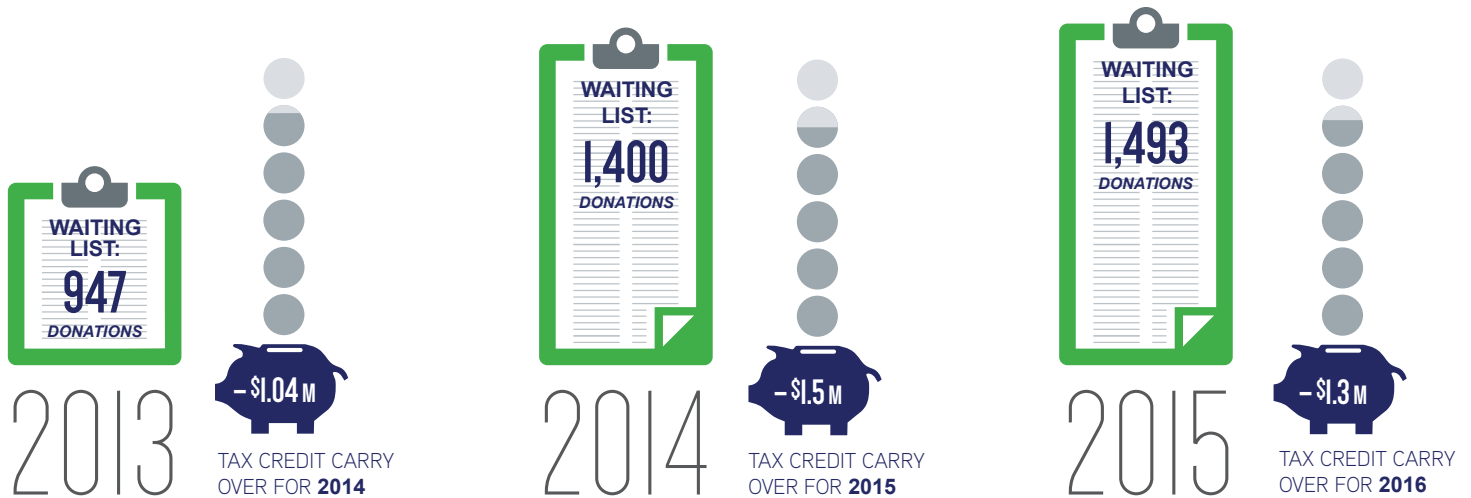


ENDOW IOWA TAX CREDIT PROGRAM



Iowans are giving endowed gifts to Community Foundations at higher rates each year.



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

2017 LEGISLATIVE SESSION REQUEST:

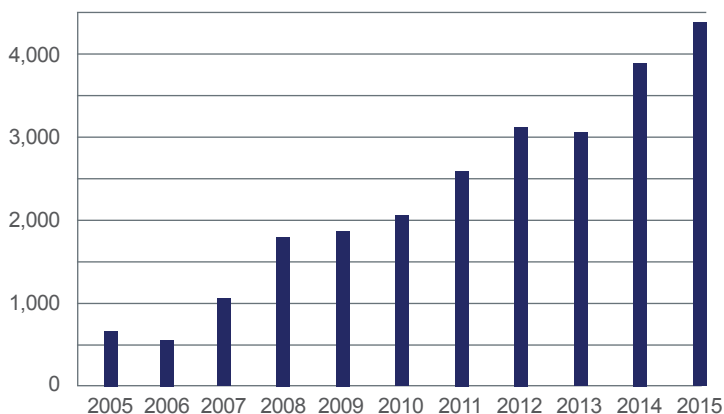
- Requesting legislation that would increase the annual limit of Endow Iowa tax credits available from \$6 million to \$8 million
- Increase needed to keep up with the demand of this worthwhile program
- More tax credits mean more endowed assets for Iowa's future

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

Growth of **Endowed Assets** at accredited community foundations and their affiliates since the beginning of Endow Iowa.



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:

Cash Gift (examples of different gift amounts)	\$ 1,000	\$10,000
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
Net cost of contribution	\$ 400	\$ 4,000

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