

Endow Iowa Tax Credit Q&A:

Discontinuing waitlist process



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To date, Iowa Community Foundation colleagues have submitted the following questions to ICoF regarding IEDA's communication they would be discontinuing the waitlist process.

IEDA expects to discontinue the waitlist for this program as of July 1, 2023. All applications that are currently on the waitlist will not be affected by this change. Donors who submit an application for the tax credit prior to June 30, 2023, will continue to be placed on a waitlist.

- Can you confirm if applications exceed the 2024 allocation before June 30, 2023, that the system will not open again until January 1, 2025, when the full waitlist has cleared and additional credits become available?
A: Yes. IEDA will not accept applications until the waitlist has been cleared. Please note that the date the application window opens will be dependent on the number of applications on the waitlist.
- What happens to all individuals who make a gift after the June 30, 2023, and before the window opens again?
A: IEDA recommends Community Foundations cease accepting applications until they will be accepted by IEDA. Foundations may submit applications for individuals who make donations after June 30, 2023, after the waitlist is resolved and IEDA opens up the application window. Applications submitted more than 12 months after the date of donation will be denied.
- If a donor makes a gift after a year's credits are claimed, can they hold their application until January 1 of the following year and apply in that year?
A: Applications must be submitted within 12 months of the date of the donation.
- How will timing work for gifts that come in on June 30, 2023? Will there be a "grace period" by which EI applications need to be entered, in order to give donors enough time to complete the EI application and return it to their local community foundation and for the community foundation to enter it into lowagrants.gov?
A: Applications must be submitted to IEDA by 11:59PM on June 30, 2023 to be included on the waitlist.

- Will it be possible to pick a specific date/time to re-open lowagrants.gov in the new year, so everyone has equal accessibility and community foundations are not pressured to begin entering applications at 12:01 a.m. on January 1? (e.g., opening lowagrants.gov at noon on January 2.)

A: IEDA can establish a date and inform the Iowa Council of Foundations of this date/ time. IEDA can also post this information on IEDA's Endow Iowa website.

Please note that the date the application window opens will be dependent on the number of applications on the waitlist. IEDA anticipates it will be after January 1, 2024 but the date is uncertain, as IEDA anticipates receiving a large number of applications prior to June 30, 2023.

IEDA will not accept additional applications for tax credits until the current waitlist has been fully awarded (expected after January 1, 2024). Applications that are received that exceed the available annual allocation will be denied. Community foundations should cease accepting applications until they will be accepted by IEDA. Applications submitted more than 12 months after the date of donation will be denied.

- Can a denied application be re-submitted if lowagrants.gov re-opens within the 12-month period of when the contribution was made?

A: Yes, if the donation was made within the previous 12 months.

- Can community foundations still accept and hold applications but not process them until lowagrants.gov reopens?

A: IEDA recommends Community Foundations cease accepting applications until they will be accepted by IEDA. Applications submitted more than 12 months after the date of donation will be denied.

- Can you clarify this timing: until 06/30/2023 applications may be received for any past contributions; however, as of 7/1/2023 a contribution would need to be made within the past 12 months to be eligible?

A: Yes; That is the intended application of the new 12-month limit. IEDA will clarify in administrative rule.

- If the donation for final tax credit for a particular year exceeds the remaining available credits, does the donor lose the difference or can they reapply for the remainder of their credits in the following year?

A: This will depend on the date of the donation. As applications must be submitted within 12 months of the donation, the donor would only be able to reapply in the following year if the application was submitted within the allowable timeframe.

Other Questions:

- How will community foundations be notified that lowagrants.gov has reopened to accept applications?

A: IEDA can plan to notify the Iowa Council of Foundations as to when lowagrants.gov will be reopened. IEDA can also post this on IEDA's Endow Iowa website.

- Will community foundations continue to get up-to-date reporting?
A: IEDA will continue to post reports on the Endow Iowa website and Community Foundations will continue to receive automated reports that they have subscribed to.
- Can you confirm once the credits are awarded, applicants will still have the same amount of time to use the credit on their Iowa return (5 years)?
A: Yes, this is correct.
- Can you confirm that donors who are married filing jointly are still considered as two individual taxpayers for the new \$100,000 annual taxpayer limit?
A: We are confirming with the Iowa Department of Revenue and will follow up once we have additional guidance from their team.
- Will we still be able to accept scanned/emailed applications up until June 30, 2023?
A: Yes; however, applications must be submitted to IEDA by 11:59PM on June 30, 2023 to be included on the waitlist.