

# Endow Iowa

## Get credit for creating lasting good.

The Endow Iowa Tax Credit program was established to encourage building permanent endowments to benefit Iowa. Iowa taxpayers may apply for the tax credit if they make a gift to an endowed Fund that supports charitable activities in Iowa. Tax credits are 25% of the gifted amount with a limit of \$300,000 for an individual or \$600,000 for a couple (if both are Iowa taxpayers).

### The charitable gifts must be made:

- Through a qualified community foundation
- 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

You can take the tax credit on your Iowa income tax return only. If you cannot use the entire credit this year, you can carry it over for up to five years. The tax credit is not transferable. If an Iowa tax credit is received for a gift, no Iowa income tax deduction for the same gift is allowed.

### \$6 million is available in Iowa tax credits for 2013!

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. Act early!

Stay tuned, as Illinois has similar legislation pending to introduce Endow Illinois. While it has not yet passed, it does have strong and growing support in the legislature. We will keep you posted on the bill's progress.

### How it works

Amount of Gift	\$10,000	
35% federal income tax deduction savings		\$3,500
25% Endow Iowa state tax credit savings		\$2,500
<b>Total tax savings on \$10,000 gift</b>		<b>\$6,000</b>
Actual cost of the gift	\$4,000	

The savings are even greater if a donor makes the same gift using appreciated securities instead of cash, because the donor avoids capital gains tax on the donated securities.