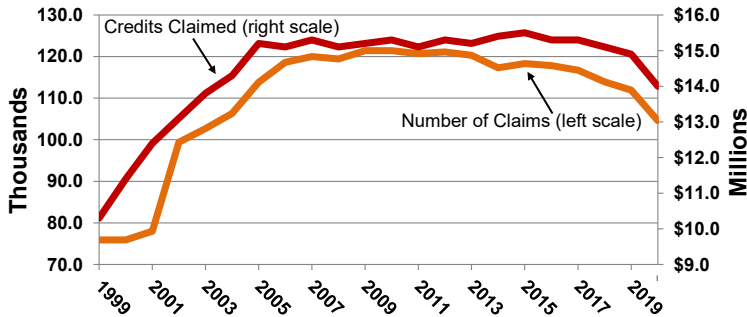


Tuition and Textbook Tax Credit

Tax Credit Description

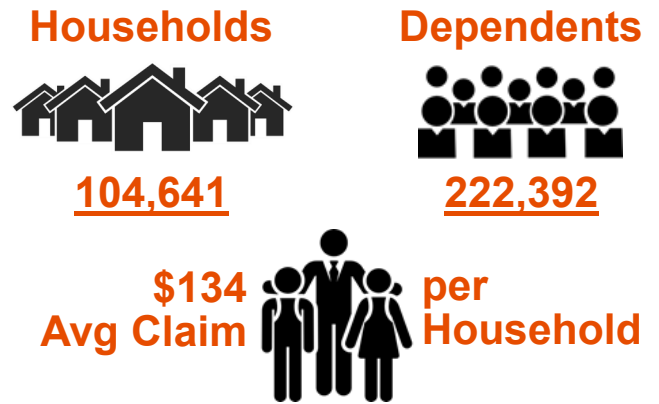
Taxpayers who have one or more dependents attending Kindergarten through 12th grade in an accredited Iowa school may take a tax credit equal to 25% of the first \$1,000 in qualified expenses for each dependent. Credits are nonrefundable and any credit in excess of tax liability cannot be carried forward. Qualified expenses include tuition, textbooks, fees, and equipment; however, homeschooling expenses do not qualify. The Credit is increased to 25% of the first \$2,000 in qualified expenses beginning in 2021.

Annual Claimants and the Amount of Credits by Tax Year

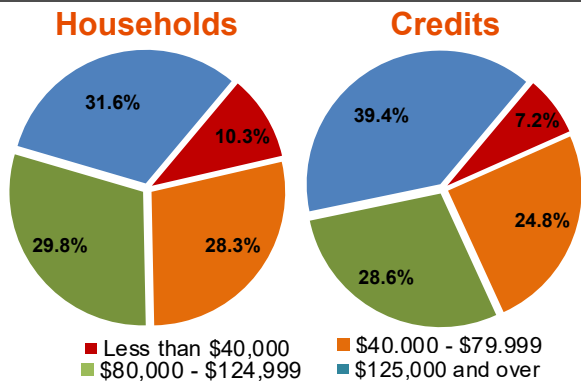


\$14.0 million in TTC credits were claimed in TY 2020. Last legislative modification to credit was in TY 1998.

Tuition and Textbook Tax Credit Household Claims, Tax Year 2020



Distribution of Claims and Credits by Adjusted Gross Income



Share of Claimant Households Claiming Maximum Credit

10.0%

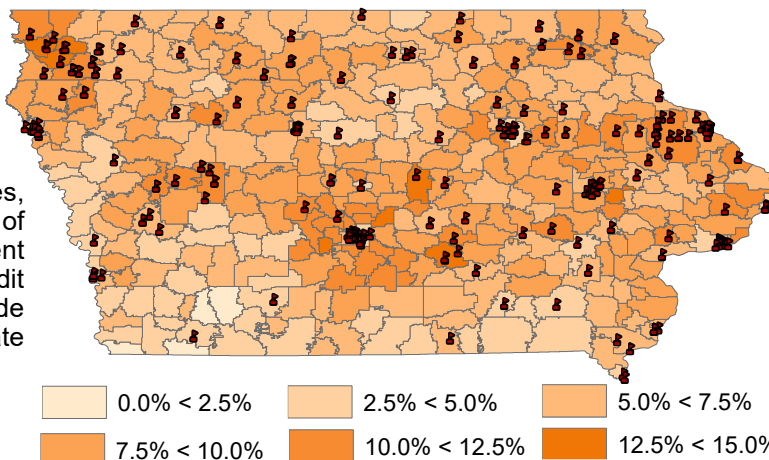
The share of households claiming \$250 per dependent account for \$2.6 million, or 18.7% of credits in tax year 2020.

Tax Credit Utilization

21.6%

The highest utilization rates, defined as the share of households with dependent children making a tax credit claim, appear to coincide with the location of private schools.

Utilization Rates by School District



Credit Claims by School District

- #1 Number of Claims - Des Moines (4,824)
- #1 Credit per Pupil - Boyden Hull (\$154)
- #1 Average Claim - Sioux Center (\$351)
- #1 Utilization Rate - Sioux Center (14.7%)