Iowa's Endow Iowa Tax Credit

Tax Credits Program Evaluation Study

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Preface

During the 2005 Legislative Session the Iowa Department of Revenue received an appropriation to establish the Tax Credits Tracking and Analysis Program to track tax credit awards and claims. In addition, the Department was directed to assist the legislature by performing periodic economic studies of tax credit programs. This is the second economic study completed for this tax credit; the previous one was completed in 2013.

As part of the evaluation, an advisory panel was convened to provide input and advice on the study's scope and analysis. We wish to thank the members of the panel:

Don Dursky	Iowa Economic Development Authority
Liesl Eathington	Iowa State University
Nichole Hansen	Iowa Economic Development Authority
Kari McCann Boutell	Iowa Council of Foundations

The assistance of an advisory panel implies no responsibility for the content and conclusions of the evaluation study. This report was also reviewed by Amy Rehder Harris. This study and other evaluations of Iowa tax credits can be found on the Tax Credits Tracking and Analysis Program web page on the Iowa Department of Revenue website.

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Executive Summary

The Endow Iowa Tax Credit went into effect on January 1, 2003. When first enacted, the tax credit equaled twenty percent of the donations made to any permanently endowed fund within a qualified community foundation or community affiliate organization for the benefit of Iowa charitable causes. The amount of the donation could also be claimed as a charitable contribution if the taxpayer claimed itemized deductions on the Iowa tax return. Effective January 1, 2010, taxpayers were no longer able to claim the donation as a charitable deduction but in turn the credit rate was increased to 25 percent of the donation.

Endow Iowa Tax Credits, awarded by the Iowa Economic Development Authority, are subject to a fiscal year cap that has increased since the inception of the program to $6 million effective in tax years 2012 and later. The Endow Iowa Tax Credit can be claimed against corporate income, individual income, franchise, insurance premium, and moneys and credits taxes. The Endow Iowa Tax Credit is nonrefundable but does have a carry forward of five years.

The major findings of the study are these:

Endowment Fund Tax Credits Around the United States

- There are currently five states, including Iowa, which award tax credits for contributions made to qualified endowment funds. The four other states that have tax credits are Kentucky, Maryland, Montana, and North Dakota.

- Maryland is the only state to add a tax credit since the last evaluation study was completed in 2013. Maryland enacted the Endow Maryland Tax Credit in 2014 with a tax credit rate of 25 percent of contributions made to qualified permanent endowment funds up to $50,000 per taxpayer.

Endow Iowa Tax Credit Awards

- The highest number of Endow Iowa Tax Credit awards was issued in 2015, when the number reached 4,416. Between 2004 and 2011, the average number of awards each year was 1,399; since the cap was increased to $6 million, the average number of tax credit awards each year has been 3,537.

- Since the inception of the program through year 2018, nearly $263.7 million in donations have been awarded the Endow Iowa Tax Credit. Over the lifetime of the tax credit, the average donation has been almost $8,800.

- Since 2014 (two years after the program cap was increased to $6 million) the share of awards from donations made in prior years has continued to grow. In fact, just over 90 percent of 2018 awards were generated from donations made in 2017 and earlier. It is anticipated that the 2019 awards will also be largely dominated by donations made in prior years, suggesting a high demand for the program.

Characteristics of Endow Iowa Tax Credit Award Recipients

- On average, 9.7 percent of awards each year are issued to business entities with an average award of $2,145. The average individual award is $1,623.

- Less than 80 percent of both individuals and households have donated to a qualified community foundation in more than two years between 2006 and 2016. Approximately 2 percent of individuals and households received tax credits in eight or more years.

- Since 2012, the program cap has been set at $6 million; prior to 2012, the tax credit program cap varied. The distribution of households by AGI was relatively unchanged between the two time periods of awards. The biggest change in the distribution of awards was seen for households with adjusted gross income between $75,000 and $99,999; over 1.1 percent fewer households in this AGI bracket made donations since 2012. However, in that same time 1.1 percent more households with AGI below $40 thousand made donations to qualified community foundations.

- The data from both awards issued between 2006 and 2011 and between 2012 and 2016, show that the majority of taxpayers who make qualifying donations are over the age of 55 in both time periods. In the earlier years of the program, 82.1 percent of the awards were issued to households with a head of household that was over age 55. Between 2012 and 2016, households with a head of household over age 55 accounted for 78.7 percent of awards.

Analysis of Endow Iowa Tax Credit Claims and Unclaimed Endow Iowa Tax Credit Awards

- Total tax credits applied against tax liability over tax years 2006 through 2017 equals $44.8 million with $1.8 million expiring.

- Of the tax credit awards where carry forward periods have been exhausted (those issued between 2006 and 2011) an average of 13.6 percent of issued awards expired rather than being claimed. Some tax credits expired because taxpayers did not have sufficient tax liability against which to apply the tax credits, while other tax credits expired because taxpayers failed to claim awarded tax credits.

- For awards made between 2006 through 2012, 7.8 percent were never claimed on a tax return. On average, 77.3 percent of those awards were made to households that filed Iowa tax returns in the year the award was made, and many even had tax liability against which the Endow Iowa Tax Credit could have been applied. If households with tax liability exceeding the amount of household awards had claimed all of the awards to which they were entitled, it would have increased claims over $500,000 (3%) between 2006 and 2012.

- If households with tax liability less than the amount of household awards had claimed all of the awards to which they were entitled (up to tax liability), those claims would have increased total Endow Iowa Tax Credit claims over $93,000 (0.5%) between 2006 and 2012.

Federal Tax Law Changes Facing Donors to the Endow Iowa Tax Credit

- The Tax Cuts and Jobs Act (TCJA) of 2017 made numerous changes to the federal income tax calculations effective for tax year 2018. Two major changes were the near doubling of the standard deduction and the $10,000 cap on state and local tax (SALT) deductions for those who continue to itemize deductions at the federal level.

- In response to states trying to skirt the SALT cap by establishing high tax credits for donations to state government, the IRS ruled that only the donation above the state tax credit would be eligible to itemize as a charitable contribution. Given the high share of Endow Iowa Tax Credit claimants expected to still itemize deductions at the federal level, those rule changes will impact many Endow Iowa Tax Credit donors.

- For tax year 2016, an estimated 88 percent of Endow Iowa claimants itemized federal deductions compared to 31 percent of all Iowa taxpayers. In tax year 2018, as a result of the higher standard deduction only, those shares are estimated to fall to 53 percent and 9 percent.

- The estimated average marginal federal tax rate faced by Endow Iowa Tax Credit donors is expected to rise slightly to 26.2 percent compared to 26.0 percent for the larger group of donors itemizing under before the TCJA changes. Thus, the federal tax benefits from an endowment donation of $1,000 would remain $260 if the full donation were still eligible as a deduction. Reducing the deduction by the Iowa credit would lower the federal tax benefits to $196. This 24 percent reduction in the federal tax benefits from the endowment donation could cause taxpayers to reduce their donation amounts in future years.

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I. Introduction

The Endow Iowa Tax Credit began in 2003 in an effort to spur philanthropy across Iowa, increase planned gifts, and reduce the transfer of wealth to heirs living outside of the state. Participating community foundations help to manage endowment funds which then offer grants to local charitable organizations, causes and concerns. Establishing an endowment fund allows an individual to create a fund that supports a particular area of interest for the individual. The individual can then receive a tax credit award for donations to that fund. Taxpayers can also contribute to existing funds which align with their interests. These interests vary from scholarships, to community betterment, and the support of other public goods.

Another program enacted with the same goals in mind was the County Endowment Fund Program created in 2004.[1] Although the County Endowment Fund Program also contributes to community foundations, because it is a separate program it will not be discussed at length in this study.

Section II of the study discusses the Endow Iowa Tax Credit and how it works. Section III provides information about similar tax credits in other states. Section IV contains a review of literature on the topic of community foundations and endowment funds. Section V has analyses of Endow Iowa Tax Credit awards and claims. Section VI presents information about federal tax law changes that may impact donors to the Endow Iowa Tax Credit and Section VII concludes the study.

II. The Endow Iowa Tax Credit

The Endow Iowa Tax Credit went into effect on January 1, 2003.[2] The Endow Iowa Tax Credit can be claimed against corporate income, individual income, franchise, insurance premium, and moneys and credits taxes.[3] The Endow Iowa Tax Credit is nonrefundable but does have a carry forward of five years allowing credits to be claimed in five additional tax years or until depleted, whichever comes first. The credit is also

[1] The County Endowment Fund Program is funded from the State's gaming tax revenues and is available, on a yearly basis, to counties that do not hold a State issued gaming license. As of 2018, there were fifteen counties that held a gaming license. Those counties were Black Hawk, Clarke, Clayton, Clinton, Des Moines, Dubuque, Greene, Lyon, Palo Alto, Polk, Pottawattamie, Scott, Washington, Woodbury, and Worth. Beginning in tax year 2005, 0.5 percent of the State's gaming revenue was disbursed to qualifying community foundations that met applicable National Standards for U.S Community Foundations, or a community affiliate organization that was affiliated with such a foundation in one of the qualifying counties. This amount was increased to 0.8 percent during the 2006 Legislative Session. The County Endowment Fund Program is separate from the Endow Iowa Tax Credit, but they both support community foundations and community affiliate organizations around the state.

[2] The program is authorized in Iowa Code 15E.305.

[3] The moneys and credits tax is imposed under Iowa Code section 533.24 on credit unions conducting business in Iowa.

nontransferable. When first enacted, the tax credit equaled twenty percent of donations made to any permanently endowed fund within a qualified community foundation or community affiliate organization for the benefit of Iowa charitable causes.[4] The amount of the donation could also be claimed as a charitable contribution if the taxpayer claimed itemized deductions on the Iowa tax return. With the support of the community foundations, legislation was enacted effective January 1, 2010 which eliminated the ability for taxpayers to claim the donation as an itemized deduction on the Iowa return, but in turn the tax credit rate was increased to 25 percent of the donation (the donation can still be claimed as a charitable contribution on the taxpayer's federal income tax return, see Section VI for more discussion of recent changes in federal income tax rules).

When the tax credit was first enacted, the tax credit award cap of $2 million was set for all awards made during 2003 and 2004 combined. The tax credit cap was increased to $2 million for each year from 2005 through 2007. In 2008 and 2009, the amount of the tax credit cap was increased again when, in addition to the existing $2 million cap, a percentage of the tax imposed on the adjusted gross receipts from gambling games was allocated to the credit.[5] The gambling receipts added over $730,000, on average, to the tax credit cap annually. The portion of gambling receipts continued to be available in 2010 and 2011, when the base tax credit cap was raised to $2.7 million and $3.5 million, respectively. During the 2013 Legislative session, the tax credit cap was increased to $6 million but the gambling receipts were eliminated as a source of award funds. The tax credit cap change in 2013 was made retroactive to calendar year 2012 awards because the demand for credits had exceeded the original cap for 2012.

In addition to the program cap, there is also a taxpayer award cap. Taxpayers are limited to an award amount equal to five percent of the aggregate annual tax credit cap which equals $300,000 for donations made in 2012 and later. Ten percent of the aggregate annual award limit is reserved for gifts in amounts of $30,000 or less each year to ensure small donors receive credits. However, if after September 1, the entire ten percent has not been awarded, the remaining tax credits are available to any size gift.

III. Endowment Fund Tax Credits Around the United States

There are currently five states, including Iowa, which award tax credits for contributions made to qualified endowment funds. The four other states that have tax credits are Kentucky, Maryland, Montana, and North Dakota. There are also several states that had

[4] A full discussion of the history of community foundations as well as how community foundations function can be found in the first Iowa Department of Revenue evaluation study on this tax credit (Gullickson and Tilkes, 2013).

[5] Section 99F.11 (3) Code of Iowa 2011 stated one-half of the moneys remaining after five hundred twenty thousand dollars is appropriated to the Department of Cultural Affairs shall be credited, on a quarterly basis, to the general fund of the state for the purpose of funding the Endow Iowa Tax Credit.

similar tax credits which have been repealed or have sunset (see Table 1) and others with more restrictive, targeted credits and deductions.

Michigan was the first state to enact a tax credit for donations made to endowment funds. The Community Foundation Tax Credit was enacted in 1989 and the tax credit was equal to fifty percent of the contribution made to a certified community foundation. There was no annual program cap, but there was a taxpayer cap. Individual taxpayers were limited to a tax credit of $100 for a single taxpayer or $200 for taxpayers who are married and filing jointly. For corporate taxpayers, the cap was five percent of tax liability or $5,000, whichever was less. For estates or trusts, the cap was ten percent of tax liability or $5,000, whichever was less. The credit was nonrefundable and had no carry forward provision. The donation was also not eligible to be taken as an itemized deduction on the state income tax return. The tax credit was repealed in 2012.

Montana was the next state to enact an endowment tax credit in 1997. The Montana Qualified Endowment Tax Credit is not a permanent tax credit, it was supposed to expire at the end of 2013 but the sunset date was recently pushed back to the end of 2019. There is no annual program award cap, but there is a taxpayer cap of $10,000. The amount of the credit for an individual taxpayer equals forty percent of a planned gift's value that can be claimed as a federal charitable deduction.[6] A direct gift made by a business is eligible for a twenty percent tax credit. The tax credits are nonrefundable and cannot be carried forward. Qualifying donations are not eligible to be taken as an itemized deduction on the state income tax return.

All other states, including Iowa, enacted their state endowment fund tax credits after 2000. The Endow Iowa Tax Credit was enacted in 2003, followed by the Nebraska Charitable Endowment Tax Credit which was enacted in 2006 but sunset in 2009. The Nebraska credit was equal to fifteen percent of planned gifts by individuals, S corporations, partnerships, and limited liability companies and ten percent of any contribution by C corporations. There was no annual program cap, but corporations were limited to $5,000 and individual taxpayers were limited to $5,000 for single filers and $10,000 for taxpayers who are married filing jointly. Qualifying donations were not eligible to be taken as an itemized deduction on the state income tax return.

North Dakota enacted the Tax Credit for Planned and Deferred Gifts in 2007. Deferred gifts to nonprofit organizations (including community foundations) qualify for the tax credit. In 2011, North Dakota also enacted the Tax Credit for Endowment Gifts. The second tax credit made it possible for direct donations to endowment funds to qualify for a tax credit, although individuals must make a minimum donation of $5,000 in order to qualify. The amount of the tax credits equal forty percent of the deferred gift or direct contribution up to $10,000 for corporations and up to $10,000 for single filers and $20,000 for taxpayers who are married filing jointly. Both tax credits are nonrefundable,

[6] A planned gift is defined as an irrevocable contribution to a permanent endowment held by or for a tax-exempt organization which means the charity receives assets either in the future or over time (Dodds, 2012). Individuals are not able to make direct contributions and receive the credit.

but have a carry forward period of three years. Qualifying donations are not eligible to be taken as an itemized deduction on the state income tax return.

Kansas enacted the Regional Foundation Tax Credit in 2004. The deduction was seventy-five percent of a qualified gift to an approved regional foundation. Kanas, like Iowa, had an annual program cap. In fiscal year 2012 the cap was $2 million. It was also the only state that offered a refundable tax credit and did not have a taxpayer cap. The donations were not eligible to be taken as an itemized deduction on the state income tax return. The tax credit was repealed in 2012. However, in 2013 when Kansas enacted reductions to income tax rates in combination with capping itemized deductions, they chose to preserve the deductions for charitable nonprofits, thus demonstrating a preference for tax incentives for charitable donations even in the absence of the tax credit (National Council on Nonprofits, 2015).

Kentucky enacted a tax credit for donations to endowment funds in 2011. The Endow Kentucky Tax Credit originally had an annual program cap of $500,000 per year, but it has been raised to $1 million for fiscal year 2019. The credit is equal to twenty percent of the qualified donation with a per taxpayer cap of $10,000. The tax credit is nonrefundable, but can be carried forward for five years. Unlike other credits of this type, Kentucky also allows the donation to be claimed as a charitable contribution against state income taxes.

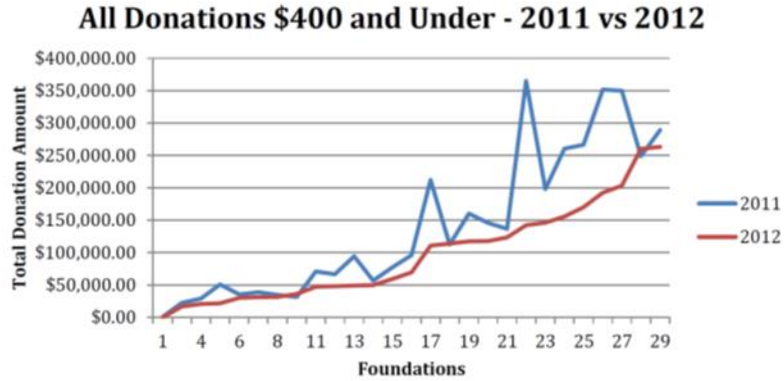
Maryland enacted the Endow Maryland Tax Credit in 2014 for donations of $500 or more to a “qualified endowment fund”. The credit is twenty-five percent of the donation amount with a cap of $50,000 in any given tax year for individuals and businesses. The credit is nonrefundable with a five year carry forward for excess credits not applied against tax liability in the donation year.

While not yet enacting full endowment credits, Colorado and Missouri have tax credits for food contributions to charitable organizations to aid with hunger relief and have considered expanded tax credit programs for community foundations. Other states are creating caps for itemized deductions, but several exempt charitable donations from those limits, once again demonstrating a preference to maintain tax incentives for charitable donations in some form (National Council of Nonprofits, 2015).

IV. Literature Review

One focus of community foundations in Iowa is to capture assets from the inter-generational transfer of wealth. When a resident dies, all wealth may leave the state if heirs have moved elsewhere. Educating professional advisors and donors about the advantage of leaving gifts of charity at death helps retain a portion of that wealth in Iowa. Nationally, it has been estimated that $41 trillion will pass from one generation to the next over the next 50 years (Wiktor, 2010).

The recent elimination of the Michigan tax credit provides some evidence of the effectiveness of tax credits in supporting endowments. According to USA Today (2013), the 2012 elimination of the Michigan 50 percent tax credit (with a maximum credit of $200 for a couple, $100 for an individual, and $5,000 for a business) resulted in a significant decrease in donations. Donation information was received from 27 of the 31 community foundations in Michigan. Many foundations had reported expectations of steady donations after the repeal, believing that existing donors would continue at the same level (Johnson Center, 2013). However, across foundations, in the year after the credit was repealed the average decrease in total donations made by individuals or couples was $43,481, or 27.2 percent with a total loss in donations reported across all community foundations in Michigan of more than $1.15 million (USA Today, 2013). Small donations were impacted most, with many foundations reporting significant reductions in donations of $400 and under, as these were the donors targeted by the tax credit.



The Endow Iowa Tax Credit is capped at $6 million in tax credits against more than $24 million in donations. A 27 percent reduction in donations would be a loss of more than $6 million in gifts for Iowa's community foundations and affiliates.

Much of the literature is focused on the impact of donations on local communities. Specific examinations of the impacts of endowment tax credits on donations have been limited with Michigan (Johnson Center, 2013) and Iowa (Gullickson and Tilkes, 2013) providing the best examples. Wisconsin has considered enacting an endowment tax credit and looked to Iowa as the standard for how a successful endowment tax credit incentive program works (McCarthy, 2017). The Wisconsin Philanthropy Network has watched the impact of the Endow Iowa Tax Credit and cited that impact in support of an Endow Wisconsin credit that is also set at twenty-five percent.

Ultimately, the purpose of an endowment tax credit is to make resources available for endowments, overseen by community foundations, to make grants within the community in support of causes of interest to the donors. The initial economic impact is the "immediate, tangible returns to the economy in the form of contributions to GDP, jobs, and taxes" (Peterson and Fuji, 2012, p. 6). The initial economic impacts are much easier to measure than the subsequent longer-term impacts. Peterson and Fuji (2012) note long-term economic impacts may include reducing policing costs through lower rates of juvenile crime, expanding the arts and education, creating employment opportunities for the disabled and homeless, as well as supporting scientific research.

One of the first studies to evaluate the economic and social value of foundations was completed in 2008. Shapiro and Mathur (2008) found that "on average, each dollar that private and community foundations provided in grants and support in 2007 produced an estimated average return of $8.58 in direct, economic welfare benefits," (p. 3).[7] This return includes both monetary benefits and the non-monetary benefits of social programs (safety, health, environment, etc.). The valuation of such benefits was based largely on the social rates of returns found in other studies. They found that the average social rate of return varied by the interest area to which the grant was made, but further generated a weighted average across interests.

A more recent study of the economic impact of foundations was completed by Peterson and Fuji (2012) using Shapiro and Mathur's (2008) framework.[8] Peterson and Fuji, in analyzing the economic impacts of 2010 grants made by community foundations across the nation, found that "in the immediate short-run, foundation grants directly create just under 500,000 U.S. jobs," (p. 18). Within a year, that number increased to almost one million jobs nationally. In addition, they pointed to many social welfare benefits, such as reduced homelessness, better access to education and healthcare, and more art and culture programs with social benefits that cannot be so easily measured.

Looking beyond state endowment tax credits, other studies consider the benefits of tax credits that encourage direct capital investment in communities. A study completed by Rutgers University for the U.S. National Park Service examined the impacts of the federal historic tax credit that has existed since 1978 to promote the rehabilitation of income-producing historic properties and the revitalization of older communities. This program incentivizes construction projects to benefit communities rather than funding scholarships, art programs, public spaces, or other social benefit programs as do the community foundations that benefit from the Endow Iowa Tax Credit. Despite this difference, the study is still of interest because it analyzes beyond the impact of the credit on donations by following the credit's impact through to the ultimate desired outcome. The study found that the national economic impacts of $4.8 billion in expenditures in federal fiscal year 2014 on historic tax credit projects created 78,000 jobs generating $3.4 billion in income, $4.6 billion in Gross Domestic Product (GDP), and $1.2 billion in tax revenues across all levels of government; a total output gain of approximately $9.1 billion (Rutgers, 2015).

A similar study by the Rural Development Institute at Brandon University on the impacts of community foundations in Manitoba verify that spillover impacts are also experienced outside of the United States (Lemky, 2016). The author estimated that $4.6 million of spending by community foundations produced $7.6 million of additional output, created 86 jobs generating income of $3 million, and indirect taxes of $0.35 million.

Researchers with the Federal Reserve Banks of Philadelphia and Atlanta look at the positive impacts of grants on the community and demonstrated that the benefits are

[7] The Shapiro and Mathur (2008) study was commissioned by The Philanthropic Collaborative.
[8] The Peterson and Fuji (2012) study was commissioned by The Philanthropic Collaborative.

spread through the population including cities of all sizes and socioeconomic characteristics (Wardrip et al., 2016).

Another fiscal impact of endowment tax credits to consider is the tax-exempt status of charities, which includes private and community foundations. Based on the work done by Shapiro and Mathur (2008), they found that “the jobs and incomes generated directly and indirectly by the activities of private foundations…generate substantially greater revenues than those foregone by the tax-exempt status of foundations.” They also find that the foundations depend on the preferred tax status of the donations in order to carry on their activities and that “taxing those donations or the assets and income that finance their activities would be equivalent to taxing the public service and social benefits they provide.” (Shapiro and Mathur, 2008, pp. 3-4).

V. Analysis of Endow Iowa Tax Credit Awards and Claims

A. Endow Iowa Tax Credit Awards

In general, each county in Iowa is associated with one of the seventeen nationally accredited Iowa community foundations (see Figure 1). In addition to the fourteen community foundations listed in Figure 1, there are three additional nationally accredited community foundations (the Cedar Falls Community Foundation, the Pella Community Foundation, and the Pottawattamie County Community Foundation) to which taxpayers can donate funds that would qualify for the Endow Iowa Tax Credit. There are also 90 affiliate organizations that work with the community foundations administer endowment funds. Since the inception of the Endow Iowa Tax Credit, over $62.7 million of tax credit awards have been issued for nearly 36,000 endowment fund contributions (see Table 2). The highest number of Endow Iowa Tax Credit awards was issued in 2015, when the number reached 4,416. Between 2004 and 2011, the average number of awards each year was 1,399; since the cap was increased to $6 million, the average number of tax credit awards each year has been 3,537.[9]

Since the inception of the program through tax year 2018, nearly $263.7 million in donations have been awarded the Endow Iowa Tax Credit (see Table 3). Over the lifetime of the tax credit, the average donation has been almost $8,800. However, the average donation has changed significantly since the tax credit cap increased to the current $6 million. Between 2005 and 2011, when the cap was less than $6 million, the average donation was $10,048. Once the tax credit cap was increased to $6 million, the average donation fell to $6,910, indicating that as the cap increases, a larger number of smaller donations receive tax credits. In fact, in most years since 2008, the median donation has been $500; however, in award years 2014 through 2016, the median

[9] It should be noted that these are not necessarily the number of individuals or households, but the number of tax credit certificates issued. An individual or household can receive multiple tax credit certificates in a single year for several reasons. One reason is that some taxpayers choose to make several donations to one endowment fund throughout the year which generates multiple certificates. Second, some individuals choose to donate to more than one endowment fund, in which case the taxpayer is issued separate tax credit certificates. Third, it is also possible that both spouses in a household make donations and each spouse receives separate tax credit certificates.

donation was between $334 and $400. The large gap between the average donation and the median donation indicates that the program receives a majority of donations that are in the hundreds of dollars while a small number of large donations is pulling up the average.

Because a taxpayer is limited to an award amount equal to five percent of the aggregate annual tax credit cap, since 2012 the maximum qualifying donation allowed has been $1.2 million which results in a $300,000 credit (see Table 4). Because the tax credit cap was raised retroactively in 2012 there were no donations of $1.2 million in that year, but there were two donations made that met the maximum donation limit before the tax credit cap was increased. Since 2013, the maximum donation has been made nine times spread among four different award years (see Table 3).

On the opposite side of the donation spectrum, ten percent of the aggregate annual award limit each year is reserved for donations of $30,000 or less. The share of donations under that limit has exceeded the required ten percent in every award year (see Table 5). On average, the share of donations each year that are smaller than $30,000 is just over 27 percent. The average donation for those under the threshold is $2,355 while the average donation over the $30,000 threshold is $148,057. Recall that the median donation in each year has been $1,000 or less, indicating that at least half of donations have been for amounts equal or smaller than that level that is far below what the program designates as a small donation (see Table 3).

Also of interest is the timing of when a donation is made and when the taxpayer receives the tax credit for the corresponding donation. This issue comes into play because of the administrative rules of the Endow Iowa Tax Credit, which allows a waitlist to be created for subsequent award years once the cap for a current award year has been completely allocated. An interesting relationship between the program tax credit cap and the share of donations that come from prior years appears to exist (see Figure 2). In the early years of the tax credit program, the tax credit cap was uncertain because of the newness of the program and then the addition of differing amounts of gambling monies each year. Once the Legislature begun to make consistent increases in the tax credit cap (before enacting the current cap of $6 million) nearly all of the tax credit awards between 2010 and 2013 were based on donations made during the award year. Since 2014 (two years after the cap was set at $6 million) the share of awards from donations made in prior years has continued to grow. In fact, just over 90 percent of 2018 awards were generated from donations made in 2017 and earlier. It is anticipated that the 2019 awards will also be largely dominated by donations made in the prior years, suggesting a high demand for the program.

B. Characteristics of Endow Iowa Tax Credit Award Recipients

The first characteristic considered is the distribution of Endow Iowa awards between business entities or individual taxpayers. Note that the remainder of this analysis focuses on awards and claims beginning in 2006, the inception of the Tax Credit Tracking Analysis Program at the Department of Revenue. On average, 9.7 percent of awards each year are issued to business entities including C corporations, banks, credit unions, and pass-through entities (see Table 6).[10] This percentage did not differ significantly between the early years of the program when the tax credit cap varied and since 2012 when the cap has been set at $6 million. The biggest difference between the early years and recent years related to business entities can be seen in the average award issued to businesses. Between 2006 and 2011, the average award to business entities was $2,677; since 2012, that average decreased to $1,903. There is much less variance seen in the awards issued to individual taxpayers. The average individual award in the early years of the program was $1,694 and in recent years the average award was $1,583.

In order to fully analyze the characteristics of individual taxpayers who donate to funds that qualify for Endow Iowa Tax Credits, it is necessary to match the awards to a household (see Table 7). In order to analyze the awards on a household basis, the awards had to be aggregated by household so if a contributor (or their spouse) received more than one tax credit award within a tax year, only one household award amount (equal to the total of the separate awards) appears in the dataset. Tax credit awards to individual taxpayers were matched to tax returns filed in the same year of the award. Some individuals who receive tax credits never file tax returns because they fall below the required filing threshold and therefore, those taxpayers were unable to be matched to filed tax returns. For awards made since 2010, over 98 percent of the number of awards to individuals can be matched to a tax return (see Table 7). During that same period, in almost every year over 99 percent of the dollar amount of awards to individuals was able to be matched to a tax return. Of the 26,447 awards issued between 2006 and 2016, 25,946 were able to be matched to 19,010 unique households.

One question that often arises is whether it is the same people donating to community foundations year after year or if there are new taxpayers donating each year. The persistence of donations shows that the majority of individuals have only donated once in the eleven years covering award years 2006 and 2016 (see Table 8). In fact, less than 80 percent of individuals have donated in more than two years between 2006 and 2016. A nearly identical pattern is seen when the individual taxpayers are combined into households.

If taxpayers used filing status married filing separately on the same return, both spouses' adjusted gross incomes were summed to create a household Iowa adjusted gross income (AGI).[11] This analysis matches return information from tax years 2006 through 2016 to the award data for the corresponding year. Clearly taxpayers who receive Endow Iowa Tax Credit awards tend to have higher AGI than other taxpayers (see Figure 3). This can be seen in both awards made in the early years of the program and awards issued in years 2012 through 2016. Despite the fact that there were almost twice as many households annually making donations and receiving awards since the increase of the tax credit cap in 2012, the distribution of those households by AGI was relatively unchanged (see Table 9). The biggest change in the distribution of awards

[10] Award data does not distinguish between these types of business entities.
[11] The adjusted gross income amounts in all tax years were adjusted to 2016 dollars to account for inflation.

was seen for households with adjusted gross income between $75,000 and $99,999; over 1.1 percent fewer households in this AGI bracket made donations since 2012. However, in that same time 1.1 percent more households with AGI below $40 thousand made donations to qualified community foundations.

It is also of interest to look at the amount of donations by household AGI (see Table 9). Once again, the distribution between awards in the early years and more recent awards is largely unchanged; however, since 2012, households with more than $1 million in adjusted gross income accounted for five percent more of the amount of money donated. Between 2012 and 2016 the households with more than $1 million of AGI accounted for just over 50 percent of all donations, compared to 45 percent between 2006 and 2011. On average, during both time periods, households donate about 3 percent of their adjusted gross income with lower income households donating a higher a percent of their AGI. Note that Iowa excludes some income from AGI including all Social Security benefits and some pension benefits.

Considering that one of the perceived benefits of endowment funds is that it keeps the wealth of the older generations, whose children have moved out of the house and potentially out of Iowa, in the state. It is important to look at whether the households that are making donations still have dependents in the household. The assertion that an alternative to the endowment donation in Iowa would be donors gifting funds to children outside of their household is supported because between 2006 and 2011, 75 percent of the number of awards and almost 78 percent of the award dollars were received by households with zero dependents (see Table 10). The percentages for number of households and the percent of donations made by households with no dependents are almost identical for awards made between 2012 and 2016. The percentages for number of households with awards by number of dependents are extremely similar between early awards and recent awards. However, the distribution of the amount of tax credits awarded shows that in recent years households with more dependents are receiving more tax credits. The average tax credit for households with 3 dependents increased over $500 and the average tax credit for households with 4 or more dependents increased over $2,600.

Filing status is another characteristic by which Endow Iowa Tax Credit awards to individual taxpayers can be analyzed. In the early years, almost 62 percent of the households with Endow Iowa Tax Credit awards are married couples filing separately on a combined return and those households accounted for almost 47 percent of the tax credits received (see Table 11). Since 2012, the number of households who filed as married couples filing separately on a combined return fell to below 59 percent. Those households account for over 35 percent of the tax credit dollars awarded and each household has an average total tax credit award of $1,340. The filing status with the highest average award is married filing jointly. However, the average donation for married filing separately on a separate return is considerably higher for awards issued between 2012 and 2016; this is due to four donations of a million dollars or more made during this time period that are skewing the average. The number of awards issued to households that are married filing jointly account for less than 20 percent of awards, however those same households account for a much larger percent of the amount of awards issued.

Another characteristic of interest is the age of taxpayers who contribute to endowment funds in Iowa and receive Endow Iowa Tax Credit awards. Based on the other characteristics that have already been presented, it is assumed that donors would be older. The data from both awards issued between 2006 and 2011 and between 2012 and 2016, show that the majority of taxpayers who make qualifying donations are over the age of 55 in both time periods, where the age of a married household is based on the spouse filing as the primary taxpayer (see Table 12). In the earlier years of the program, 74 percent of households had a primary taxpayer that was over age 55 and those households accounted for 82.1 percent of the awards issued between 2006 and 2011. Between 2012 and 2016, the number of households with a primary taxpayer over age 55 increased slightly to 76.8 percent of the number of awards which accounted for a slightly lower percentage of 78.7 percent of the total awards. This indicates that while there are fewer younger households receiving credits, those households donate and receive a slightly higher share of the amount of tax credits awards.

When considering the county of residence of the individual taxpayers that were issued Endow Iowa Tax Credits between 2006 and 2011 and between 2012 and 2016, there were only seven counties (and nonresident taxpayers) that had average awards above the program-wide average award in both of those time periods (see Table 13). Of those seven counties four are considered urban counties (Dallas, Linn, Polk, and Pottawattamie) and three are rural counties (Dickinson, Iowa, Muscatine). For the 2006 and 2011 period there were 14 counties that had average awards over the program-wide average award. That number increased to 21 counties for the 2012 and 2016 period. There were also four counties that did not have any tax credits awarded to any of their residents in either time period.

C. Analysis of Endow Iowa Tax Credit Claims and Unclaimed Endow Iowa Tax Credit Awards

Since the implementation of the IA 148 Tax Credit Schedule in tax year 2006, over $44.8 million in Endow Iowa Tax Credits have been claimed against Iowa income tax liability (see Table 14). Claims each tax year have averaged $3.7 million, although that average increased to $5.5 million for tax years 2012 and later when the cap was increased to $6 million. The amounts for tax years 2016 and 2017 could still increase as not all claims made on paper tax returns for these years have been entered into the database and not all tax credit claims have been verified. Recall that the first Endow Iowa Tax Credit awards were made for tax year 2003 while the tracking of tax credit claims began for tax year 2006. It should be noted that the math may not always be exact as “applied tax credits” also includes tax credit claims that may have been claimed in error.

When looking at tax credit claims by tax type, it is not surprising that most of the claims of Endow Iowa Tax Credit awards have been made against individual income tax (see Table 15). Of interest is that Table 6 shows that $4.6 million of awards were issued to business entities, however claims against tax types other than individual income tax only total $1.2 million or 26.9 percent of business entity awards. What this most likely means is that a large portion of the awards issued to business entities are issued to businesses that are pass-through entities and so the awards are claimed against individual income tax. This is consistent with the high share of claims against individual income tax (97.2%) relative to the share of tax credit awards issued to individual taxpayers (90.3%). This suggests that about seven percent of awards were issued to pass-through entities, accounting for as much as 70 percent of awards to business entities. Among the business entities making claims, corporations and banks (franchise tax) made steady claims across the period, but the largest total was claimed by insurance companies, concentrated in tax years 2013 through 2015.

As Table 14 shows, taxpayers do not always have enough tax liability to fully utilize the nonrefundable tax credits. On average, almost 45 percent of newly awarded, nonrefundable Endow Iowa Tax Credits are used to offset tax liability across all tax types in the first tax year, or the tax year in which the award was made (see Table 16). It is possible that fiscal year filers are able to make claims in the tax year prior to the award year. The nonrefundable tax credit awards can be carried forward for five additional tax years before they expire. Of the tax credit awards where carry forward periods have been exhausted (those issued between 2006 and 2011) between 9.7 percent and 16.2 percent of the awards expired. However, it should be noted that those percentages are potentially underestimated as they are based on actual claims made which may be higher than what was issued to some taxpayers. When possible, those erroneous claims have been billed to the taxpayers who made the error, but there is often a delay between billing, payment, and the claims being updated to reflect the amount that was repaid. The timing analysis also excludes any claim made without a certificate number, which occurred frequently at the start of data collection when many claims were still being made on awards issued prior to the introduction of tax credit certificate numbers for tax year 2006.

In addition to the Endow Iowa Tax Credit awards whose claims are reflected in the timing analysis, there is an additional subset of awards that are never claimed. While those awards are inherently included in the timing analysis above in the percent unclaimed column, further analysis of those awards and the taxpayers who received them provides some interesting information. Of the total number of awards issued between 2006 and 2012, over 3,700 (28.5%) of those awards were never claimed, however those same awards only account for 7.8 percent ($1.8 million) of the amount of awards (see Table 17). The smallest unclaimed award was $1, while the largest unclaimed award was $135,000 (see Table 18). Of interest is the difference between the average unclaimed award and the median unclaimed award. While the average unclaimed award in those years ranges from $265 in 2011 to $1,223 in 2010, the median unclaimed award range is much smaller with a low of $30 in 2009 to a high of $60 in 2007. This indicates that many unclaimed awards are smaller awards with approximately half of unclaimed awards being less than around $50.

An attempt was made to try to determine why these tax credits were not claimed. The first possible reason identified is that approximately 10 percent of the number of unclaimed awards was issued to business entities (see Table 19). The percent of the amount of awards issued to business entities varied more than percent of the number of awards. The percent of unclaimed awards issued to business entities varied from 8.0 percent in 2008 to 24.2 percent in 2010. While an award being issued to a business does not prevent the tax credit from being claimed, it is possible that the tracking of these tax credit claims is less reliable if the tax credits are issued to a pass through entity. When the tax credits are passed on to shareholders if the necessary award information is also not passed along to the shareholders, then it makes it difficult to tie a claim to a specific award. It is also possible that shareholders could be nonresidents that may have no Iowa tax liability and thus make no claims.

In the early years of the Tax Credit Tracking and Analysis Program, as awarding agencies responded to new procedures being implemented through the program there were occasionally pieces of data missing from the award files received by the Iowa Department of Revenue (IDR). As a result, between 2006 and 2010, there were 115 Endow Iowa Tax Credit awards that were issued to taxpayers for which IDR was not provided with a taxpayer identification number and not subsequently matched through an observed claim (see Table 20). Because of standardized reporting requirements and tax credit awarding procedures, this is no longer an issue and 2010 was the last year in which an award was made without the taxpayer identification number. However, without an identification number it is impossible to examine these awards any further as to why they were not claimed.

There is also a small percentage of awards, in general, less than 5.5 percent of the number of unclaimed awards each year, for which a taxpayer identification number is available but the taxpayer did not file a return in the year corresponding to the first year of the award (see Table 21). The amount of these awards is relatively small in most years, with the exception of 2010 when the amount of awards exceeded $100,000. The likely reason that these taxpayers do not have any returns on file is that the taxpayer did not meet the filing thresholds that would have required them to file a tax return.

The above suggests that the majority of the awards for which there was no claim made can be tied to an individual income taxpayer who did file a tax return in the year in which the qualifying donation received an award (see Table 22). This category includes the majority of unclaimed awards when considering both the number of awards and the amount of awards. In fact, when looking at the number of awards, the percentage is over 75 percent with the next largest segment being the number of awards that were issued to business entities (see Figure 4). When the amount of awards is considered, those awards issued to taxpayers who also filed a tax return is just below 75 percent (see Figure 5).

As in earlier analysis, in order to look at tax credit awards that are connected to a tax return, it is necessary to combine individual taxpayers into households. The number of households that had unclaimed awards is less than the number of unclaimed awards which indicates that there were some households that had more than one unclaimed tax credit award (see Table 23). For the following analyses those awards are combined into a single household award amount. When looking at the statistics of unclaimed household awards that can be tied to a filed tax return, the statistics look very similar to the statistics of all unclaimed awards. Of the unclaimed awards that can be linked to a tax return, the smallest unclaimed award is between $1 in 2006 and $3 in award years 2010 through 2012. The largest unclaimed award by a household varies from $10,000 in 2006 and 2011 to $135,000 in 2010. Once again the median unclaimed household award was much smaller in all years than the average unclaimed household award.

Because the Endow Iowa Tax Credit is a nonrefundable tax credit, the biggest determinate on whether a household applies the tax credit award is dependent upon the size of the tax credit compared to the household's tax liability. When looking at the number of households for which the tax liability of the household exceeded the amount of any Endow Iowa awards the household was issued in nearly every year between 2006 and 2012, at least 80 percent of the households had enough tax liability to claim their tax credits (see Table 24). When considering the amount of awards that could have been fully claimed by those households, the percentages are much lower. If those households had claimed all of the awards to which they were entitled, it would have increased claims over $500,000 (3.0 %) between 2006 and 2012.

In addition to the households that had tax liability that was equal to or greater than the amount of tax credits the household had been issued, there was a much smaller number of households whose tax credit awards exceeded the household's tax liability. Of those households, the majority had no tax liability in the tax year that corresponded to the year in which that tax credit was awarded (see Table 25). This means that in at least that first year, none of those households were eligible to claim any of their awarded tax credits. Because the tax credit has a carry forward period of five years it is possible that those households could have claimed all or some of their tax credits in later tax years, however the analysis of those households and subsequent tax years was not completed.

Several households each year between 2006 and 2012 had some tax liability, however the household tax liability was less than the amount of the household's tax credit award. In these cases, if the households had claimed their tax credits, they would have been limited to their tax liability. If these households had claimed the tax credits to which they were entitled in the first year it would have added an additional $93,000 (0.5%) of claims between 2006 and 2012 (see Table 25).

VI. Federal Tax Law Changes Facing Donors to the Endow Iowa Tax Credit

The Tax Cuts and Jobs Act of 2017 made numerous changes to the federal income tax calculations effective for tax year 2018. Two major changes were the near doubling of the standard deduction and the $10,000 cap on state and local tax (SALT) deductions for those who continue to itemize deductions at the federal level. The former is expected to significantly reduce the number of Iowan's itemizing at the federal level, which eliminates the marginal federal benefit associated with a donation to an Iowa community foundation. The latter resulted in rule changes by the Internal Revenue Service limiting the deductibility of charitable donations eligible for state income tax credits to only the unsubsidized donation (75% in the case of donations eligible for the Endow Iowa Tax Credit) to discourage new state charitable tax credits established with the intent of skirting the SALT cap. Both of these could result in a drop in the donations eligible for the Endow Iowa Tax Credit as the marginal cost of those donations has been increased.

For tax year 2016, an estimated 88 percent of Endow Iowa claimants itemized federal deductions compared to 31 percent of all Iowa taxpayers. In tax year 2018, as a result of the higher standard deduction only, those shares are estimated to fall to 53 percent and 9 percent, where no behavior change in donations is modeled; the choice between itemizing and taking the standard deduction is simply based on whatever results in the lowest federal taxable income. Not surprisingly, Endow Iowa claimants who itemized accounted for a disproportionate share of the contributions and tax credits. In tax year 2016, federal itemizers accounted for 93.5 percent of tax credits claimed. In tax year 2018, it is estimated that Endow Iowa claimants still itemizing at the federal level will account for 87 percent of tax credits claimed. Thus the higher standard deduction is not a factor for most of the dollars expected to be donated in future tax years.

Given the high share of Endow Iowa claimants expected to still be itemizing at the federal level, the changes in the rules regarding the treatment of donations eligible for state tax credits to only allow the unsubsidized donations as a charitable deduction for federal itemized deductions will impact Iowans. The estimated average marginal federal tax rate faced by these donors is expected to rise slightly to 26.2 percent compared to 26.0 percent for the larger group of donors itemizing under before the TCJA changes. Thus the federal tax benefits from an endowment donation of $1,000 would remain $260 if the full donation were still eligible as a deduction. Reducing the deduction by the Iowa credit would lower the federal tax benefits to $196. This 24 percent reduction in the federal tax benefits from the endowment donation could cause taxpayers to reduce their donation amounts in future years.

With the high demand under the Endow Iowa Tax Credit cap, a decline in donations may simply push the date of reaching the cap later into 2019 and future years. Although the impact will not be apparent on the award side, the possible decrease in annual endowment donations will be considered harmful by Iowa endowment funds.

VII. Conclusion

The goal of the Endow Iowa Tax Credit is to encourage Iowans to donate to qualified endowment funds, which reduces the transfer of wealth outside the state of Iowa. Since tax year 2006, over $48.5 million in Endow Iowa Tax Credits have been claimed by taxpayers who have made donations to qualifying Iowa community foundations. The awards correspond to around $263.7 million in donations to permanent endowment funds that support local charitable organizations, causes, and concerns. Since 2012, the tax credit cap has been $6 million and has essentially been fully utilized every year. In fact, donations are nearly outpacing the award cap by almost an entire with approximately 90 percent of awards coming from donations made in the tax year prior to the award year.

This analysis of the Endow Iowa Tax Credit awards has shown that despite the increase in the tax credit program cap that the demographics of donors have changed very little between the time before the cap increase and since the cap increase. High income taxpayers continue to account for the majority of donations. Over 90 percent of donations receiving awards were made by taxpayers reporting AGI above $100,000 since award year 2006. Awards are also concentrated among taxpayers who are aged 55 and older.

There are some tax credit awards that are never claimed despite the taxpayers filing returns and having enough tax liability to claim some or all of the tax credit awards. If those credits were claimed it would have added nearly $600,000 of claims for awards issued between 2006 and 2012.

A key goal of the credit is to capture assets from the inter-generational transfer of wealth by Iowans. The fact that nearly 80 percent of Endow Iowa Tax Credit donations are made by individual income taxpayers who are 55 years or older suggests the tax credit is meeting this goal. With the recent changes to the federal tax law, it will be of much interest how these changes might impact donations to permanent endowment funds in Iowa over the next five years and will likely be the focus of the next evaluation study conducted in 2023.

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Iowa's Endow Iowa Tax Credit

Tax Credits Program Evaluation Study

Tables and Figures

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Table 1. Endowment Fund Tax Credits by State, December 31, 2018

State	Program	Qualifying Contributions	Enacted	Sunset or Repeal Date	Annual Program Cap	Tax Credit Percentage	Taxpayer Cap	Qualifying Tax Types	Refundable	Carry Forward	State Itemized Deduction
Iowa	Endow Iowa Tax Credit	Contributions to certified community foundations and their affiliates.	2003	NA	CY2012 - $6.0M	25%	5% of annual program cap, currently $300,000.	Corporate, Individual, Franchise, Insurance Premium, and Moneys and Credits	No	5 Years	No
Kansas	Regional Foundation Tax Credit	Qualified gift to an approved regional foundation.	2004	Repealed 2012	FY2012 - $2.0M	75%	None	Corporate, Individual, Franchise, Insurance Premium	Yes	NA	No
Kentucky	Endow Kentucky Tax Credit	Contributions to certified community foundations and their affiliates.	2011	NA	FY2019 - $1.0 M	20%	$10,000	Corporate, Estate or Trust, Individual	No	5 Years	Yes
Maryland	Endow Maryland Tax Credit	Contributions to a "qualified permanent endowment fund."	2014	NA	None	25%	$50,000	Corporate, Individual, Franchise, Insurance Premium	No	5 Years	Yes

Table 1 (cont). Endowment Fund Tax Credits by State, December 31, 2018

State	Program	Qualifying Contributions	Enacted	Sunset or Repeal Date	Annual Program Cap	Tax Credit Percentage	Taxpayer Cap	Qualifying Tax Types	Refundable	Carry Forward	State Itemized Deduction
Michigan	Community Foundation Tax Credit	Contributions to certified community foundations.	1989	Repealed 2012	None	50%	Corporate - 5% of tax liability or $5,000, whichever is less. Individual - $100 for single filers or $200 for joint filers. Estate or Trust - 10% of tax liability or $5,000, whichever is less.	Corporate, Estate or Trust, Individual	No	No	No
Montana	Montana Endowment Tax Credit	Qualified planned gift to a qualified Montana charitable endowment.	1997	Sunset 2019	None	Individual - 40% of a planned gift. Estates or trusts - 40% of a planned gift and 20% of a direct contribution. Business - 20% of the value of a gift.	$10,000	Corporate, Estate or Trust, Individual	No	No	No

Table 1 (cont). Endowment Fund Tax Credits by State, December 31, 2018

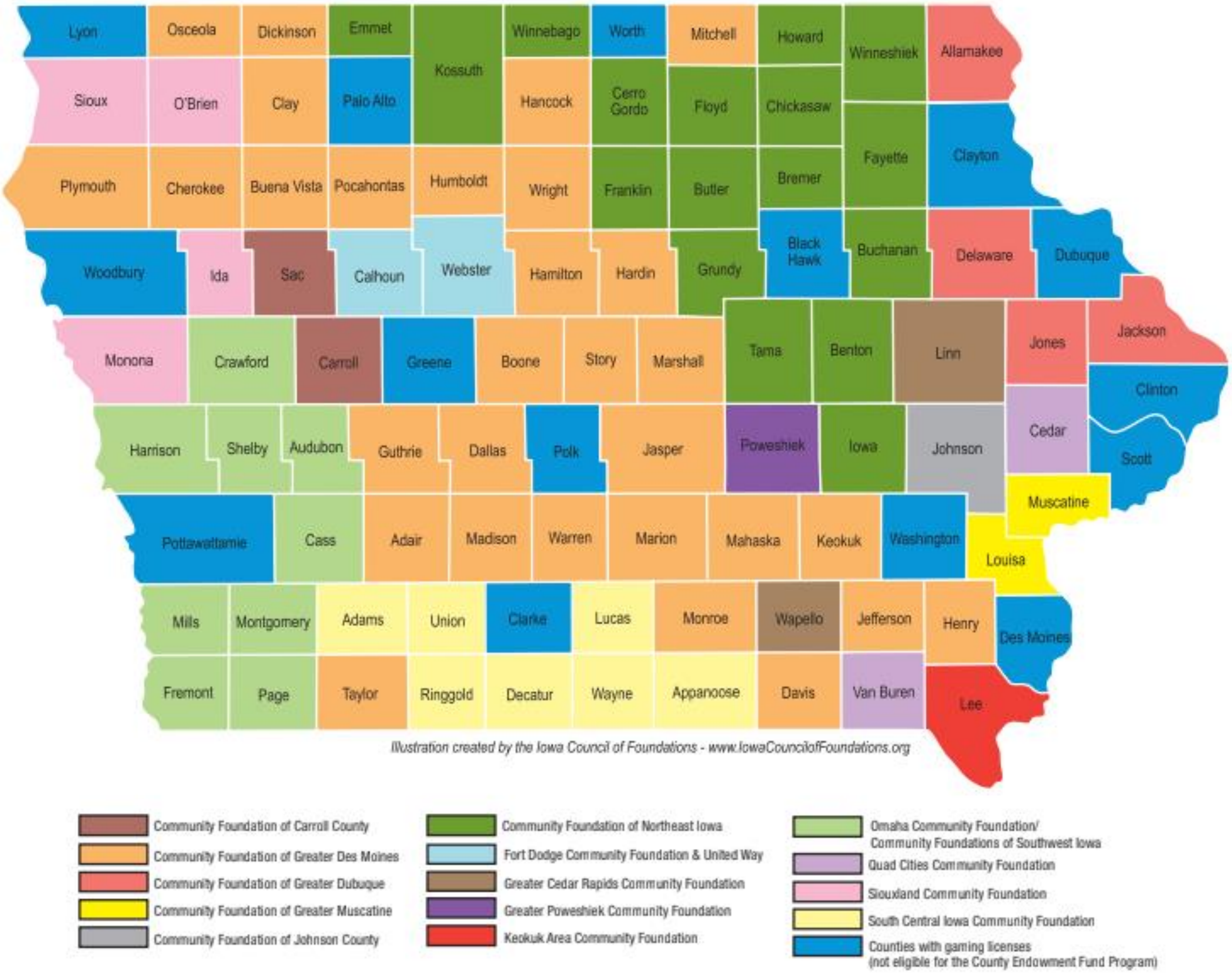
State	Program	Qualifying Contributions	Enacted	Sunset or Repeal Date	Annual Program Cap	Tax Credit Percentage	Taxpayer Cap	Qualifying Tax Types	Refundable	Carry Forward	State Itemized Deduction
Nebraska	Nebraska Charitable Endowment Tax Credit	Planned gifts or contirbutions to endowment funds of Nebraska 501(c)(3) charitable organizations.	2006	Sunset 2009	None	15% of planned gifts for individuals, S corporations, partnerships, and limited liability companies. 10% of any contribution for C corporations. 15% of planned gifts or 10% of a direct gift for an estate or trust.	Corporate - $5,000 Estate or Trust - $5,000 Individual - $5,000 for single filer or $10,000 for joint filers.	Corporate, Estate or Trust, Individual	No	No	Yes
North Dakota	Tax Credit for Planned or Deferred Gifts	Qualified deferred gifts to nonprofit organizations.	2007, franchise tax became eligible in 2010	NA	None	40%	Business - $10,000 Estate or Trust - $10,000 Franchise - $10,000 Individual - $10,000 for single filer or $20,000 for joint filers.	Corporate, Estate or Trust, Franchise, Individual	No	3 Years, except franchise tax which does not allow any carry forward.	No

Table 1 (cont). Endowment Fund Tax Credits by State, December 31, 2018

State	Program	Qualifying Contributions	Enacted	Sunset or Repeal Date	Annual Program Cap	Tax Credit Percentage	Taxpayer Cap	Qualifying Tax Types	Refundable	Carry Forward	State Itemized Deduction
North Dakota (cont.)	Tax Credit for Endowment Gifts	Qualified gift to a endowment fund. Individuals must make a minimum donation of $5,000.	2011	NA	None	40%	Business - $10,000 Estate or Trust - $10,000 Franchise - $10,000 Individual - $10,000 for single filer or $20,000 for joint filers.	Corporate, Estate or Trust, Franchise, Individual	No	3 Years, except franchise tax which does not allow any carry forward.	No

Note: Shaded tax credits are currently repealed.

Figure 1. Map of Community Foundations by County



Source: Iowa Council of Foundations, 2018

Table 2. Endow Iowa Tax Credit Award Statistics

Year of Tax Credit Award	Tax Credit Award Cap	Additional Gambling Monies	Total Awards Issued	Number of Awards Issued	Average Award Issued	Smallest Award Issued	Largest Award Issued	Median Award Issued
2003 & 2004	$2,000,000	$0	$1,060,752	407	$2,606	$2	$100,000	$200
2005	$2,000,000	$0	$2,139,417	699	$3,061	$1	$100,000	$200
2006	$2,000,000	$0	$2,000,000	655	$3,053	$1	$100,000	$140
2007	$2,000,000	$0	$1,999,997	1,040	$1,923	$2	$97,750	$200
2008	$2,000,000	$1,176,854	$3,176,854	1,881	$1,689	$2	$119,900	$100
2009	$2,000,000	$394,446	$2,394,446	1,887	$1,269	$2	$101,322	$100
2010	$2,700,000	$957,633	$3,657,633	2,026	$1,805	$2	$135,000	$125
2011	$3,500,000	$1,023,397	$4,523,397	2,596	$1,742	$3	$227,591	$125
2012	$6,000,000	$0	$5,779,592	3,075	$1,880	$1	$227,591	$125
2013	$6,000,000	$0	$5,999,996	3,072	$1,953	$1	$300,000	$125
2014	$6,000,000	$0	$5,999,999	3,909	$1,535	$1	$300,000	$84
2015	$6,000,000	$0	$6,000,000	4,416	$1,359	$1	$250,000	$100
2016	$6,000,000	$0	$6,000,000	4,042	$1,484	$1	$287,500	$88
2017	$6,000,000	$0	$6,000,000	2,811	$2,134	$3	$300,000	$125
2018	$6,000,000	$0	$6,000,000	3,434	$1,747	$3	$300,000	$125
Total	$60,200,000	$3,552,330	$62,732,083	35,950				
Average	$4,013,333	$888,083	$4,182,139	2,397	$1,745			

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue

Table 3. Endow Iowa Tax Credit Donation Statistics

Year of Tax Credit Award	Total Tax Credits Issued	Tax Credit Rate	Total Amount of Donations Generated	Smallest Donation Made	Largest Donation Made	Average Donation Made	Median Donation Made
2003 & 2004	$1,060,752	20%	$5,303,760	$10	$531,200	$13,122	$1,000
2005	$2,139,417	20%	$10,697,085	$5	$500,000	$15,303	$1,000
2006	$2,000,000	20%	$10,000,000	$5	$1,003,850	$16,036	$700
2007	$1,999,997	20%	$9,999,985	$10	$488,750	$9,712	$1,000
2008	$3,176,854	20%	$15,884,270	$8	$599,498	$8,445	$500
2009	$2,394,446	20%	$11,972,230	$10	$506,608	$6,345	$500
2010	$3,657,633	25%	$14,630,532	$7	$800,000	$7,457	$500
2011	$4,523,397	25%	$18,093,588	$10	$1,000,000	$7,039	$500
2012	$5,779,592	25%	$23,118,368	$5	$910,362	$7,518	$500
2013	$5,999,996	25%	$23,999,984	$5	$1,200,000	$7,812	$500
2014	$5,999,999	25%	$23,999,996	$5	$1,200,000	$6,140	$334
2015	$6,000,000	25%	$24,000,000	$5	$1,000,000	$5,435	$400
2016	$6,000,000	25%	$24,000,000	$5	$1,150,000	$5,938	$350
2017	$6,000,000	25%	$24,000,000	$10	$1,200,000	$8,538	$500
2018	$6,000,000	25%	$24,000,000	$10	$1,200,000	$6,989	$500
Totals	$62,732,083		$263,699,798			$8,789	

Note: This data does not include donations that did not qualify or apply for Endow Iowa Tax Credits and only reflects donations up to the maximum donation allowed under the tax credit program.

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue

Table 4. Analysis of Maximum Donations Allowed

Award Year	Total Endow Iowa Award Cap	Capped Award Amount	Number of Awards at Capped Amount
2005	$2,000,000	$100,000	5
2006	$2,000,000	$100,000	6
2007	$2,000,000	$100,000	0
2008	$3,176,855	$158,843	0
2009	$2,394,447	$119,722	0
2010	$3,657,621	$182,881	0
2011	$4,523,398	$227,591	2
2012*	$6,000,000	$300,000	0
2013	$6,000,000	$300,000	2
2014	$6,000,000	$300,000	2
2015	$6,000,000	$300,000	0
2016	$6,000,000	$300,000	0
2017	$6,000,000	$300,000	3
2018	$6,000,000	$300,000	2

* The cap was raised retroactively, which raised the maximum award after all donations were made. Two taxpayers donated the maximum award prior to the cap being raised.

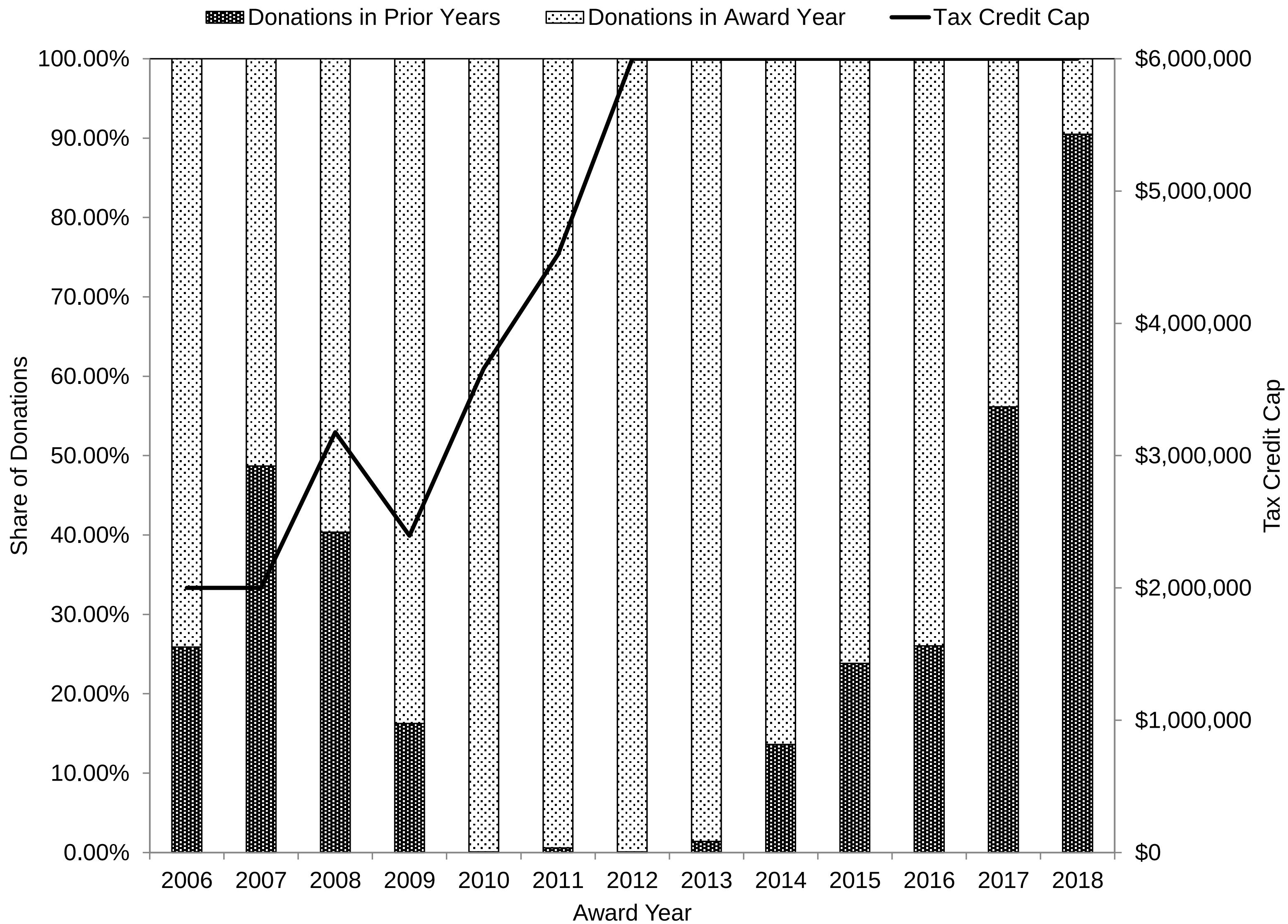
Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue

Table 5. Share of Donations Under $30,000 Compared to Ten Percent Requirement

Award Year	Donations Under $30,000			Donations Over $30,000			Donations Under $30,000 as a Share of Total Donations	
	Count	Total	Average	Count	Total	Average	Required	Actual
2004	384	$1,153,304	$3,003	23	$4,187,448	$182,063	10.00%	21.59%
2005	642	$2,108,858	$3,285	57	$8,588,226	$150,671	10.00%	19.71%
2006	600	$1,635,275	$2,725	55	$8,868,575	$161,247	10.00%	15.57%
2007	975	$2,882,629	$2,957	65	$7,217,356	$111,036	10.00%	28.54%
2008	1,782	$4,118,502	$2,311	99	$11,765,768	$118,846	10.00%	25.93%
2009	1,827	$4,029,627	$2,206	60	$7,942,601	$132,377	10.00%	33.66%
2010	1,947	$3,819,306	$1,962	79	$11,288,074	$142,887	10.00%	25.28%
2011	2,512	$5,485,253	$2,184	84	$12,788,657	$152,246	10.00%	30.02%
2012	2,986	$6,567,620	$2,199	89	$16,550,746	$185,963	10.00%	28.41%
2013	2,950	$6,938,278	$2,352	122	$17,061,704	$139,850	10.00%	28.91%
2014	3,811	$7,567,863	$1,986	98	$16,432,134	$167,675	10.00%	31.53%
2015	4,290	$8,432,080	$1,966	126	$15,567,920	$123,555	10.00%	35.13%
2016	3,929	$7,388,231	$1,880	113	$16,611,770	$147,007	10.00%	30.78%
2017	2,702	$5,174,122	$1,915	109	$18,825,877	$172,714	10.00%	21.56%
2018	3,313	$7,941,776	$2,397	121	$16,058,223	$132,713	10.00%	33.09%
Average	2,310	$5,016,182	$2,355	87	$12,650,339	$148,057		27.31%

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue

Figure 2. Timing of Donations by Award Year



Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue

Table 6. Awards by Entity Type, Award Years 2006 through 2016

	Business Entities Awarded Tax Credits				Individual Taxpayers Awarded Tax Credits			
	Number of Awards Issued	Amount of Awards Issued	Percent of Award Cap	Average Award Issued	Number of Awards Issued	Amount of Awards Issued	Percent of Award Cap	Average Award Issued
2006	47	$157,215	7.86%	$3,345	608	$1,842,785	92.14%	$3,031
2007	68	$75,360	3.77%	$1,108	972	$1,924,637	96.23%	$1,980
2008	137	$375,390	11.82%	$2,740	1,744	$2,801,464	88.18%	$1,606
2009	139	$253,194	10.57%	$1,822	1,748	$2,141,252	89.43%	$1,225
2010	127	$404,253	11.05%	$3,183	1,899	$3,253,380	88.95%	$1,713
2011	156	$538,620	11.91%	$3,453	2,441	$3,984,776	88.09%	$1,632
2012	195	$300,374	5.20%	$1,540	2,880	$5,479,218	94.80%	$1,903
2013	244	$655,925	10.93%	$2,688	2,828	$5,344,071	89.07%	$1,890
2014	285	$494,462	8.24%	$1,735	3,624	$5,505,537	91.76%	$1,519
2015	388	$682,049	11.37%	$1,758	4,028	$5,317,951	88.63%	$1,320
2016	367	$682,060	11.37%	$1,858	3,675	$5,317,940	88.63%	$1,447
2006-2011	674	$1,804,032	10.16%	$2,677	9,412	$15,948,294	89.84%	$1,694
2012-2016	1,479	$2,814,870	9.45%	$1,903	17,035	$26,964,717	90.55%	$1,583
Overall	2,153	$4,618,902	9.72%	$2,145	26,447	$42,913,011	90.28%	$1,623

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue

Table 7. Statistics for Matching Individual Awards to Tax Returns, Award Years and Tax Years 2006 through 2016

	Number of Awards Issued	Number of Awards Matched	Percent of the Number of Awards Matched	Amount of Awards Issued	Amount of Awards Matched	Percent of the Amount of Awards Matched	Number of Households
2006	608	587	96.55%	$1,842,785	$1,825,794	99.08%	471
2007	972	917	94.34%	$1,924,637	$1,784,263	92.71%	730
2008	1,744	1,688	96.79%	$2,801,464	$2,776,962	99.13%	1,275
2009	1,748	1,702	97.37%	$2,141,252	$2,035,984	95.08%	1,238
2010	1,899	1,867	98.31%	$3,253,380	$3,249,305	99.87%	1,438
2011	2,441	2,399	98.28%	$3,984,776	$3,913,386	98.21%	1,839
2012	2,880	2,838	98.54%	$5,479,218	$5,437,687	99.24%	2,084
2013	2,828	2,784	98.44%	$5,344,071	$5,285,110	98.90%	2,058
2014	3,624	3,575	98.65%	$5,505,537	$5,461,120	99.19%	2,478
2015	4,028	3,971	98.58%	$5,317,951	$5,291,624	99.50%	2,756
2016	3,675	3,618	98.45%	$5,317,940	$5,294,647	99.56%	2,643
2006-2011	9,412	9,160	97.32%	$15,948,294	$15,585,694	97.73%	6,991
2012-2016	17,035	16,786	98.54%	$26,964,717	$26,770,188	99.28%	12,019
Overall	26,447	25,946	98.11%	$42,913,011	$42,355,882	98.70%	19,010

Note: These statistics only reflect Endow Iowa awards that were able to be matched to tax returns in the first tax year matching the year the donation was made.

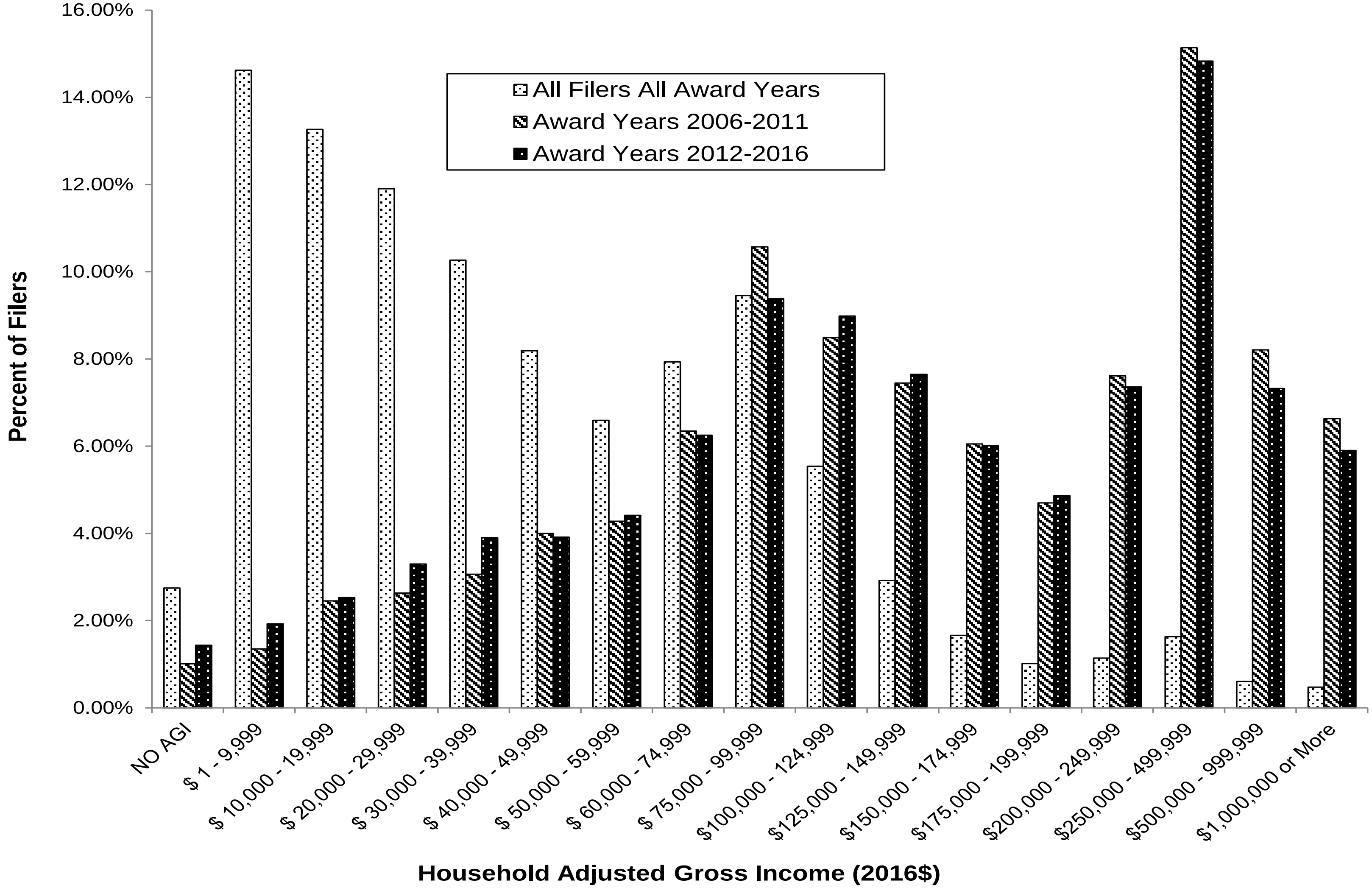
Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 8. Persistence of Endow Iowa Awards, Award Years 2006 through 2016

Total Number of Years with Endow Iowa Donations	Number of Taxpayers	Percent of Taxpayers	Number of Households	Percent of Households
1	6,524	62.7%	5,913	61.3%
2	1,675	16.1%	1,549	16.1%
3	860	8.3%	845	8.8%
4	500	4.8%	480	5.0%
5	324	3.1%	323	3.3%
6	216	2.1%	210	2.2%
7	136	1.3%	135	1.4%
8	76	0.7%	84	0.9%
9	49	0.5%	55	0.6%
10	34	0.3%	37	0.4%
11	15	0.1%	17	0.2%
	10,409	100%	9,648	100%

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Figure 3. Adjusted Gross Income of All Income Tax Filers and Households with Endow Iowa Awards, Award Years 2006 through 2016



Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 9. Comparison of Distribution of Donations by Household Adjusted Gross Income, Award Years 2006 through 2011 and 2012 through 2016

Tax Credit Awards Issued Between 2006 and 2011

Household Adjusted Gross Income (AGI) (in 2016$)	Number of Households with Donations	Distribution of Households with Donations	Total Amount of Donations	Distribution of Donations	Average Endow Iowa Donation as a Percent of AGI
NO AGI	70	1.00%	$451,567	0.63%	NA
$ 1 - 9,999	105	1.50%	$88,745	0.12%	43.49%
$ 10,000 - 19,999	196	2.80%	$274,071	0.38%	8.92%
$ 20,000 - 29,999	210	3.00%	$420,871	0.59%	6.51%
$ 30,000 - 39,999	262	3.75%	$412,777	0.57%	5.04%
$ 40,000 - 49,999	313	4.48%	$603,146	0.84%	4.09%
$ 50,000 - 59,999	335	4.79%	$1,378,811	1.92%	4.96%
$ 60,000 - 74,999	499	7.14%	$913,176	1.27%	5.26%
$ 75,000 - 99,999	750	10.73%	$2,002,145	2.78%	2.46%
$100,000 - 124,999	648	9.27%	$2,481,352	3.45%	3.22%
$125,000 - 149,999	522	7.47%	$2,049,425	2.85%	2.96%
$150,000 - 174,999	382	5.46%	$1,340,409	1.86%	2.13%
$175,000 - 199,999	321	4.59%	$1,732,461	2.41%	2.44%
$200,000 - 249,999	492	7.04%	$3,547,032	4.93%	2.67%
$250,000 - 499,999	953	13.63%	$10,633,089	14.78%	2.90%
$500,000 - 999,999	520	7.44%	$10,997,464	15.29%	3.01%
$1,000,000 or More	413	5.91%	$32,610,528	45.33%	2.50%
	6,991		$71,937,069		3.13%

Tax Credit Awards Issued Between 2012 and 2016

Household Adjusted Gross Income (AGI) (in 2016$)	Number of Households with Donations	Distribution of Households with Donations	Total Amount of Donations	Distribution of Donations	Average Endow Iowa Donation as a Percent of AGI
NO AGI	173	1.44%	$501,006	0.47%	NA
$ 1 - 9,999	237	1.97%	$284,568	0.27%	45.50%
$ 10,000 - 19,999	322	2.68%	$363,227	0.34%	8.25%
$ 20,000 - 29,999	396	3.29%	$417,292	0.39%	4.05%
$ 30,000 - 39,999	462	3.84%	$808,575	0.76%	4.95%
$ 40,000 - 49,999	485	4.04%	$670,769	0.63%	2.76%
$ 50,000 - 59,999	551	4.58%	$1,181,952	1.10%	4.07%
$ 60,000 - 74,999	750	6.24%	$1,419,181	1.33%	2.84%
$ 75,000 - 99,999	1,150	9.57%	$2,514,501	2.35%	2.33%
$100,000 - 124,999	1,094	9.10%	$3,989,778	3.73%	3.32%
$125,000 - 149,999	907	7.55%	$2,894,407	2.70%	2.04%
$150,000 - 174,999	736	6.12%	$2,432,995	2.27%	2.24%
$175,000 - 199,999	571	4.75%	$2,108,161	1.97%	1.98%
$200,000 - 249,999	867	7.21%	$5,349,242	5.00%	2.54%
$250,000 - 499,999	1,759	14.64%	$13,192,097	12.32%	2.15%
$500,000 - 999,999	864	7.19%	$15,196,525	14.19%	2.59%
$1,000,000 or More	695	5.78%	$53,756,473	50.20%	2.26%
	12,019		$107,080,749		3.09%

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 10. Comparison of Distribution of Households by Number of Dependents, Award Years 2006 through 2011 and 2012 through 2016

Tax Credit Awards Issued Between 2006 and 2011					
Number of Dependents in the Household	Number of Households with Tax Credit Awards	Distribution of Households with Tax Credits	Total Amount of Tax Credits	Distribution of Total Tax Credit Awards Issued	Average Household Tax Credit Award
0 Dependents	5,270	75.38%	$12,102,798	77.65%	$2,297
1 Dependent	625	8.94%	$1,722,904	11.05%	$2,757
2 Dependents	689	9.86%	$1,004,305	6.44%	$1,458
3 Dependents	301	4.31%	$635,942	4.08%	$2,113
4 or More Dependents	106	1.52%	$119,747	0.77%	$1,130
Total	6,991		$15,585,696		$2,229

Tax Credit Awards Issued Between 2012 and 2016					
Number of Dependents in the Household	Number of Households with Tax Credit Awards	Distribution of Households with Tax Credits	Total Amount of Tax Credits	Distribution of Total Tax Credit Awards Issued	Average Household Tax Credit Award
0 Dependents	9,190	76.46%	$21,187,711	79.15%	$2,306
1 Dependent	994	8.27%	$1,791,998	6.69%	$1,803
2 Dependents	1,090	9.07%	$1,582,214	5.91%	$1,452
3 Dependents	548	4.56%	$1,459,135	5.45%	$2,663
4 or More Dependents	197	1.64%	$749,129	2.80%	$3,803
	12,019		$26,770,187		$2,227

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 11. Comparison of Distribution of Households by Filing Status, Award Years 2006 through 2011 and 2012 through 2016

Tax Credit Awards Issued Between 2006 and 2011

Filing Status	Number of Households with Tax Credit Awards	Distribution of Households with Tax Credits	Total Amount of Tax Credits	Distribution of Total Tax Credit Awards Issued	Average Household Tax Credit Award
Single	1,344	19.22%	$3,039,233	19.50%	$2,261
Married Filing Jointly	1,228	17.57%	$4,995,272	32.05%	$4,068
Married Filing Separately on a Combined Return	4,314	61.71%	$7,282,140	46.72%	$1,688
Married Filing Separately on a Separate Return	30	0.43%	$81,547	0.52%	$2,718
Head of Household	69	0.99%	$178,273	1.14%	$2,584
Qualifying Widow(er) with Dependent Child	6	0.09%	$9,229	0.06%	$1,538
Total	6,991		$15,585,694		$2,229

Tax Credit Awards Issued Between 2012 and 2016

Filing Status	Number of Households with Tax Credit Awards	Distribution of Households with Tax Credits	Total Amount of Tax Credits	Distribution of Total Tax Credit Awards Issued	Average Household Tax Credit Award
Single	2,440	20.30%	$4,834,195	18.06%	$1,981
Married Filing Jointly	2,337	19.44%	$11,202,414	41.85%	$4,794
Married Filing Separately on a Combined Return	7,058	58.72%	$9,461,019	35.34%	$1,340
Married Filing Separately on a Separate Return	52	0.43%	$1,208,875	4.52%	$23,248
Head of Household	125	1.04%	$53,166	0.20%	$425
Qualifying Widow(er) with Dependent Child	7	0.06%	$10,519	0.04%	$1,503
	12,019		$26,770,188		$2,227

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 12. Comparison of Distribution of Households by Age, Award Years 2006 through 2011 and 2012 through 2016

Tax Credit Awards Issued Between 2006 and 2011

Age Group	Number of Households with Tax Credit Awards	Distribution of Households with Tax Credits	Total Amount of Tax Credits	Distribution of Total Tax Credit Awards Issued	Average Household Tax Credit Award
Less than age 25	32	0.46%	$69,836	0.45%	$2,182
25-34	158	2.26%	$70,226	0.45%	$444
35-44	455	6.51%	$777,144	4.99%	$1,708
45-54	1,173	16.78%	$1,873,303	12.02%	$1,597
55-64	2,113	30.22%	$4,332,307	27.80%	$2,050
Age 65 and Over	3,060	43.77%	$8,462,879	54.30%	$2,766
Total	6,991		$15,585,695		$2,229

Tax Credit Awards Issued Between 2012 and 2016

Age Group	Number of Households with Tax Credit Awards	Distribution of Households with Tax Credits	Total Amount of Tax Credits	Distribution of Total Tax Credit Awards Issued	Average Household Tax Credit Award
Less than age 25	30	0.25%	$68,668	0.26%	$2,289
25-34	235	1.96%	$275,225	1.03%	$1,171
35-44	823	6.85%	$1,925,266	7.19%	$2,339
45-54	1,698	14.13%	$3,444,826	12.87%	$2,029
55-64	3,167	26.35%	$7,855,191	29.34%	$2,480
Age 65 and Over	6,066	50.47%	$13,201,011	49.31%	$2,176
	12,019		$26,770,188		$2,227

Note: Household age group for married households is determined using the age of the primary taxpayer.
Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 13. Comparison of Distribution of Households by County of Residence, Award Years 2006 through 2011 and 2012 through 2016

	Tax Credit Awards Issued Between 2006 and 2011			Tax Credit Awards Issued Between 2012 and 2016		
County	Number of Households with Awards	Total Awards	Average Award Amount	Number of Households with Awards	Total Awards	Average Award Amount
Nonresident	80	$302,322	$3,779	165	$400,223	$2,426
Adair	6	$110	$18	*	$69	*
Adams	18	$990	$55	41	$18,125	$442
Allamakee	15	$3,763	$251	45	$11,609	$258
Appanoose	*	$25	*	*	$25	*
Audubon	42	$17,003	$405	13	$43,948	$3,381
Benton	8	$12,898	$1,612	32	$27,471	$858
Black Hawk	431	$1,196,709	$2,777	397	$559,360	$1,409
Boone	65	$112,051	$1,724	126	$245,230	$1,946
Bremer	52	$104,802	$2,015	94	$182,357	$1,940
Buchanan	23	$13,231	$575	9	$3,629	$403
Buena Vista	*	$281	*	*	$141,881	*
Butler	6	$1,165	$194	11	$11,480	$1,044
Calhoun	14	$2,682	$192	0	$0	$0
Carroll	9	$1,550	$172	66	$53,292	$807
Cass	37	$63,733	$1,723	19	$47,117	$2,480
Cedar	16	$17,764	$1,110	26	$22,285	$857
Cerro Gordo	15	$38,892	$2,593	130	$94,696	$728
Cherokee	*	$425	*	*	$5,750	*
Chickasaw	*	$20	*	11	$28,463	$2,588
Clarke	27	$2,626	$97	21	$27,049	$1,288
Clay	17	$3,319	$195	42	$79,219	$1,886
Clayton	64	$52,058	$813	123	$103,784	$844
Clinton	83	$59,499	$717	102	$126,276	$1,238
Crawford	27	$3,783	$140	20	$20,435	$1,022
Dallas	64	$259,703	$4,058	220	$1,357,360	$6,170
Davis	0	$0	$0	0	$0	$0
Decatur	84	$7,595	$90	47	$10,289	$219
Delaware	69	$49,666	$720	198	$93,965	$475
Des Moines	30	$116,232	$3,874	47	$53,794	$1,145
Dickinson	83	$211,350	$2,546	195	$466,030	$2,390
Dubuque	871	$1,627,442	$1,868	1,432	$1,940,564	$1,355
Emmet	6	$5,642	$940	*	$408	*
Fayette	11	$24,089	$2,190	15	$7,338	$489

* Fewer than 5 taxpayers

Note: Shaded counties indicate that the average county award exceeded the statewide county average.

Table 13 (cont.). Comparison of Distribution of Households by County of Residence, Award Years 2006 through 2011 and 2012 through 2016

	Tax Credit Awards Issued Between 2006 and 2011			Tax Credit Awards Issued Between 2012 and 2016		
County	Number of Households with Awards	Total Awards	Average Award Amount	Number of Households with Awards	Total Awards	Average Award Amount
Floyd	13	$10,888	$838	78	$45,832	$588
Franklin	*	$100	*	15	$32,039	$2,136
Fremont	6	$6,750	$1,125	11	$6,500	$591
Greene	132	$6,660	$50	153	$14,794	$97
Grundy	19	$140,500	$7,395	32	$14,310	$447
Guthrie	*	$50	*	14	$35,363	$2,526
Hamilton	20	$9,403	$470	50	$74,557	$1,491
Hancock	5	$58,223	$11,645	9	$1,635	$182
Hardin	89	$123,644	$1,389	164	$198,410	$1,210
Harrison	*	$18,650	*	56	$36,441	$651
Henry	12	$6,141	$512	14	$9,975	$713
Howard	17	$3,118	$183	19	$64,108	$3,374
Humboldt	8	$6,459	$807	*	$1,391	*
Ida	25	$20,868	$835	*	$6,875	*
Iowa	13	$146,779	$11,291	16	$107,840	$6,740
Jackson	25	$10,483	$419	162	$401,453	$2,478
Jasper	16	$23,973	$1,498	42	$55,829	$1,329
Jefferson	*	$35,849	*	8	$69,697	$8,712
Johnson	603	$679,166	$1,126	1,089	$2,242,880	$2,060
Jones	18	$6,881	$382	99	$108,522	$1,096
Keokuk	0	$0	$0	0	$0	$0
Kossuth	43	$14,704	$342	157	$383,405	$2,442
Lee	186	$249,302	$1,340	143	$715,808	$5,006
Linn	657	$2,177,511	$3,314	1,049	$2,472,235	$2,357
Louisa	21	$4,331	$206	85	$11,529	$136
Lucas	13	$840	$65	26	$11,475	$441
Lyon	*	$200	*	0	$0	$0
Madison	8	$4,180	$523	83	$4,671	$56
Mahaska	8	$3,575	$447	19	$13,148	$692
Marion	73	$73,713	$1,010	60	$46,811	$780
Marshall	42	$36,974	$880	140	$123,431	$882
Mills	10	$14,139	$1,414	5	$8,493	$1,699
Mitchell	7	$11,806	$1,687	12	$15,094	$1,258
Monona	*	$932	*	5	$5,101	$1,020

* Fewer than 5 taxpayers
Note: Shaded counties indicate that the average county award exceeded the statewide county average.

Table 13 (cont.). Comparison of Distribution of Households by County of Residence, Award Years 2006 through 2011 and 2012 through 2016

	Tax Credit Awards Issued Between 2006 and 2011			Tax Credit Awards Issued Between 2012 and 2016		
County	Number of Households with Awards	Total Awards	Average Award Amount	Number of Households with Awards	Total Awards	Average Award Amount
Monroe	0	$0	$0	*	$13	*
Montgomery	14	$3,565	$255	9	$1,593	$177
Muscatine	32	$163,326	$5,104	90	$204,760	$2,275
O'Brien	5	$280	$56	5	$4,425	$885
Osceola	0	$0	$0	*	$25,015	*
Page	11	$15,020	$1,365	*	$4,262	*
Palo Alto	*	$120	*	21	$15,684	$747
Plymouth	20	$10,206	$510	21	$23,285	$1,109
Pocahontas	*	$200	*	0	$0	$0
Polk	516	$4,520,595	$8,761	1,382	$9,174,979	$6,639
Pottawattamie	22	$200,294	$9,104	68	$255,738	$3,761
Poweshiek	257	$142,521	$555	658	$287,695	$437
Ringgold	88	$35,538	$404	83	$41,868	$504
Sac	9	$2,201	$245	*	$663	*
Scott	450	$751,004	$1,669	693	$1,373,846	$1,982
Shelby	12	$52,808	$4,401	55	$38,327	$697
Sioux	*	$1,813	*	15	$5,851	$390
Story	569	$550,839	$968	879	$865,229	$984
Tama	7	$445	$64	8	$9,488	$1,186
Taylor	9	$770	$86	*	$174	*
Union	59	$8,365	$142	54	$101,300	$1,876
Van Buren	14	$22,954	$1,640	5	$50,910	$10,182
Wapello	9	$12,945	$1,438	*	$5,125	*
Warren	42	$10,173	$242	122	$287,605	$2,357
Washington	12	$3,033	$253	23	$60,960	$2,650
Wayne	7	$6,500	$929	12	$16,775	$1,398
Webster	27	$26,690	$989	19	$81,147	$4,271
Winnebago	0	$0	$0	0	$0	$0
Winneshiek	44	$47,516	$1,080	84	$87,751	$1,045
Woodbury	54	$229,944	$4,258	155	$163,410	$1,054
Worth	0	$0	$0	0	$0	$0
Wright	47	$16,695	$355	59	$59,141	$1,002
Totals	**6,726**	**$15,056,565**	**$2,239**	**12,019**	**$26,770,188**	**$2,227**

Fewer than 5 taxpayers
Note: Shaded counties indicate that the average county award exceeded the statewide county average.
Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 14. Endow Iowa Tax Credit Claims by Tax Year, Tax Years 2006-2017

Tax Year	Carry Forward from Prior Year	Current Year Awards	Total Available	Applied Tax Credits	Expired Tax Credits	Carry Forward to Future Tax Years
2006	$315,189	$1,991,510	$2,306,699	$1,756,605	$0	$551,577
2007	$558,182	$1,996,234	$2,554,416	$1,584,699	$0	$971,647
2008	$966,460	$3,033,319	$3,999,779	$2,206,423	$0	$1,802,722
2009	$1,739,268	$2,281,640	$4,020,908	$1,893,748	$0	$2,129,163
2010	$2,150,268	$3,187,717	$5,337,985	$2,977,075	$301,891	$2,061,613
2011	$1,898,046	$4,452,214	$6,350,260	$3,461,855	$113,207	$2,783,154
2012	$2,628,338	$5,122,747	$7,751,085	$4,447,738	$309,234	$3,006,298
2013	$3,011,234	$5,968,082	$8,979,379	$5,413,351	$201,310	$3,369,074
2014	$3,222,237	$5,632,576	$8,847,971	$5,493,020	$104,888	$3,266,224
2015	$3,278,449	$5,597,327	$8,875,528	$4,923,858	$229,709	$3,729,714
2016*	$3,634,754	$5,683,894	$9,313,771	$6,026,469	$436,056	$2,891,976
2017*	$2,644,604	$5,639,740	$8,264,041	$4,649,780	$90,827	$3,725,023
Average	$2,170,586	$4,215,583	$6,383,485	$3,736,218	$148,927	$2,524,015
Total		$50,587,000		$44,834,621	$1,787,122	

Source: Iowa Department of Revenue and Individual Income Tax Returns

Table 15. Endow Iowa Tax Credit Claims by Tax Type, Tax Years 2006-2017

Tax Year	Corporate Income Tax	Franchise Tax	Individual Income Tax	Insurance Premium Tax	Moneys and Credits Tax	Total Claims
2006	$15,471	$544	$1,740,477	$113	$0	$1,756,605
2007	$50,174	$10,750	$1,523,775	$0	$0	$1,584,699
2008	$37,158	$12,830	$2,156,435	$0	$0	$2,206,423
2009	$52,276	$16,980	$1,824,492	$0	$0	$1,893,748
2010	$72,449	$36,590	$2,818,036	$50,000	$0	$2,977,075
2011	$75,561	$9,525	$3,374,269	$2,500	$0	$3,461,855
2012	$5,273	$15,260	$4,426,580	$625	$0	$4,447,738
2013	$33,901	$4,438	$5,133,135	$241,877	$0	$5,413,351
2014	$12,306	$16,407	$5,215,757	$248,550	$0	$5,493,020
2015	$25,674	$10,538	$4,772,698	$113,698	$1,250	$4,923,858
2016*	$36,097	$2,450	$5,983,797	$3,375	$750	$6,026,469
2017*	$16,044	$11,221	$4,621,890	$0	$625	$4,649,780
Average	$36,032	$12,294	$3,632,612	$55,062	$219	$3,736,218
Total	$432,384	$147,533	$43,591,341	$660,738	$2,625	$44,834,621
Percent of All Claims	0.96%	0.33%	97.23%	1.47%	0.01%	

Source: Iowa Department of Revenue and Individual Income Tax Returns
Note: Franchise tax is paid by banks operating in Iowa; moneys and credits tax is paid by credit unions.

Table 16.Timing of Claims to Endow Iowa Tax Credit Awards

Year of Tax Credit Award	Total Awards Issued	Percent Claimed in Same FY of Award	Percent Claimed in First FY After Award	Percent Claimed in Second FY After Award	Percent Claimed in Third FY After Award	Percent Claimed in Fourth FY After Award	Percent Claimed in Fifth FY After Award	Percent Claimed in Sixth FY After Award	Percent Claimed in Final FY After Award	Percent Unclaimed
2006	$2,000,000	0.00%	52.56%	26.00%	5.64%	1.06%	2.03%	1.84%	0.00%	10.87%
2007	$1,999,997	1.66%	38.50%	32.44%	5.24%	1.96%	1.38%	2.45%	0.15%	16.22%
2008	$3,176,854	0.01%	45.18%	26.39%	5.86%	4.09%	1.70%	1.36%	0.07%	15.33%
2009	$2,394,446	0.00%	36.51%	33.98%	4.14%	5.36%	1.93%	2.97%	0.03%	15.07%
2010	$3,026,665	0.00%	51.12%	32.68%	4.02%	1.20%	0.69%	0.35%	0.21%	9.73%
2011	$4,523,397	0.00%	45.01%	27.53%	3.39%	2.80%	1.15%	3.86%	1.82%	14.45%
2012	$5,779,592	0.00%	41.08%	36.15%	4.83%	2.54%	1.19%	6.84%		7.36%
2013	$5,999,996	0.00%	56.43%	23.88%	4.51%	1.38%	1.20%			12.60%
2014	$5,999,999	0.04%	46.46%	35.49%	3.53%	1.15%				13.33%
2015	$6,000,000	0.01%	46.02%	25.85%	7.86%					20.27%
2016	$6,000,000	0.03%	36.73%	43.37%						19.87%
2017*	$6,000,000	0.02%	34.42%							65.56%
2018*	$6,000,000	1.66%								98.34%
Average		0.26%	44.17%	31.25%	4.90%	2.39%	1.41%	2.81%	0.38%	13.61%

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 17. Endow Iowa Tax Credit Awards with No Claims Made Against Award, Award Years 2006 through 2012

Award Year	Total Number of Awards Issued	Total Awards Issues	Number of Awards Unclaimed	Percent of Number of Awards Unclaimed	Total Awards Unclaimed	Percent of Total Awards Unclaimed
2006	655	$2,000,000	134	20.46%	$46,526	2.33%
2007	1,040	$1,999,997	308	29.62%	$153,902	7.70%
2008	1,881	$3,176,854	602	32.00%	$309,533	9.74%
2009	1,887	$2,394,446	533	28.25%	$182,322	7.61%
2010	2,026	$3,657,633	578	28.53%	$706,955	19.33%
2011	2,596	$4,523,397	656	25.27%	$173,886	3.84%
2012	3,075	$5,779,592	936	30.44%	$262,778	4.55%
Total	13,160	$23,531,919	3,747	28.47%	$1,835,902	7.80%

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 18. Statistics for Unclaimed Endow Iowa Tax Credit Awards, Award Years 2006 through 2012

Award Year	Number of Unclaimed Awards	Total Unclaimed Awards	Minimum Unclaimed Award	Maximum Unclaimed Award	Average Unclaimed Award	Median Unclaimed Award
2006	134	$46,526	$1	$10,000	$347	$49
2007	308	$153,902	$2	$28,276	$500	$60
2008	602	$309,533	$2	$20,021	$514	$40
2009	533	$182,322	$2	$20,003	$342	$30
2010	578	$706,955	$3	$135,000	$1,223	$48
2011	656	$173,886	$3	$12,500	$265	$50
2012	936	$262,778	$1	$6,250	$281	$50

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 19. Unclaimed Endow Iowa Tax Credits Issued to Businesses, Award Years 2006 through 2012

Award Year	Number of Awards Unclaimed	Total Awards Unclaimed	Number of Unclaimed Awards Issued to a Business	Percent of Number of Unclaimed Awards Issued to a Business	Total Unclaimed Awards Issued to a Business	Percent of Unclaimed Awards Issued to a Business
2006	134	$46,526	9	6.72%	$7,036	15.12%
2007	308	$153,902	32	10.39%	$13,432	8.73%
2008	602	$309,533	69	11.46%	$24,992	8.07%
2009	533	$182,322	65	12.20%	$22,091	12.12%
2010	578	$706,955	75	12.98%	$171,119	24.21%
2011	656	$173,886	72	10.98%	$36,339	20.90%
2012	936	$262,778	100	10.68%	$39,354	14.98%

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 20. Unclaimed Endow Iowa Tax Credit Awards Without Taxpayer Identification Number, Award Years 2006 through 2012

Award Year	Number of Awards Unclaimed	Total Awards Unclaimed	Number of Awards without Taxpayer ID	Percent of Number of Unclaimed Awards without Taxpayer ID	Total Unclaimed Awards without Taxpayer ID	Percent of Unclaimed Awards without Taxpayer ID
2006	134	$46,526	30	22.39%	$3,171	6.82%
2007	308	$153,902	51	16.56%	$7,165	4.66%
2008	602	$309,533	23	3.82%	$2,526	0.82%
2009	533	$182,322	10	1.88%	$3,300	1.81%
2010	578	$706,955	1	0.17%	$33	0.00%
2011	656	$173,886	0	0.00%	$0	0.00%
2012	936	$262,778	0	0.00%	$0	0.00%

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 21. Unclaimed Endow Iowa Tax Credit Awards Without a Tax Return Filed by the Taxpayer, Award Years 2006 through 2012

Award Year	Number of Awards Unclaimed	Total Awards Unclaimed	Number of Awards without a Tax Return Filed by Taxpayer	Percent of Number of Unclaimed Awards without a Tax Return Filed by Taxpayer	Total Unclaimed Awards without a Tax Return Filed by Taxpayer	Percent of Unclaimed Awards without a Tax Return Filed by Taxpayer
2006	134	$46,526	3	2.24%	$228	0.49%
2007	308	$153,902	14	4.55%	$11,579	7.52%
2008	602	$309,533	33	5.48%	$20,689	6.68%
2009	533	$182,322	29	5.44%	$1,115	0.61%
2010	578	$706,955	26	4.50%	$137,967	19.52%
2011	656	$173,886	28	4.27%	$5,350	3.08%
2012	936	$262,778	34	3.63%	$7,235	2.75%

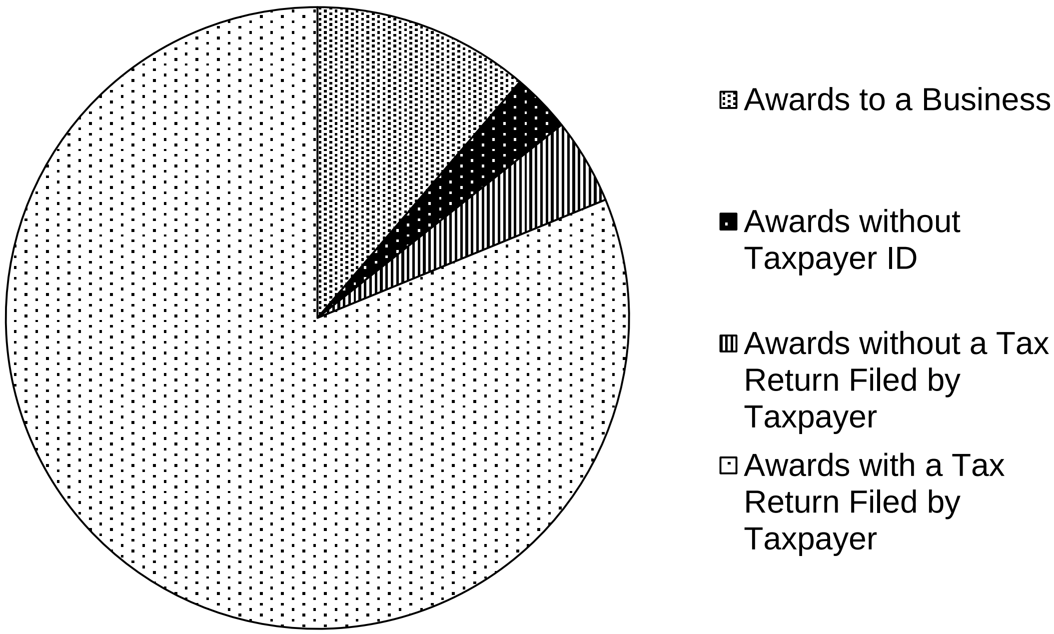
Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 22. Unclaimed Endow Iowa Tax Credit Awards With a Tax Return Filed by the Taxpayer, Award Years 2006 through 2012

Award Year	Number of Awards Unclaimed	Total Awards Unclaimed	Number of Awards with a Tax Return Filed by Taxpayer	Percent of Number of Unclaimed Awards with a Tax Return Filed by Taxpayer	Total Unclaimed Awards with a Tax Return Filed by Taxpayer	Percent of Unclaimed Awards with a Tax Return Filed by Taxpayer
2006	134	$46,526	92	68.66%	$36,092	77.57%
2007	308	$153,902	211	68.51%	$121,727	79.09%
2008	602	$309,533	477	79.24%	$261,326	84.43%
2009	533	$182,322	429	80.49%	$155,816	85.46%
2010	578	$706,955	476	82.35%	$397,837	56.27%
2011	656	$173,886	556	84.76%	$132,197	76.03%
2012	936	$262,778	802	85.68%	$216,189	82.27%

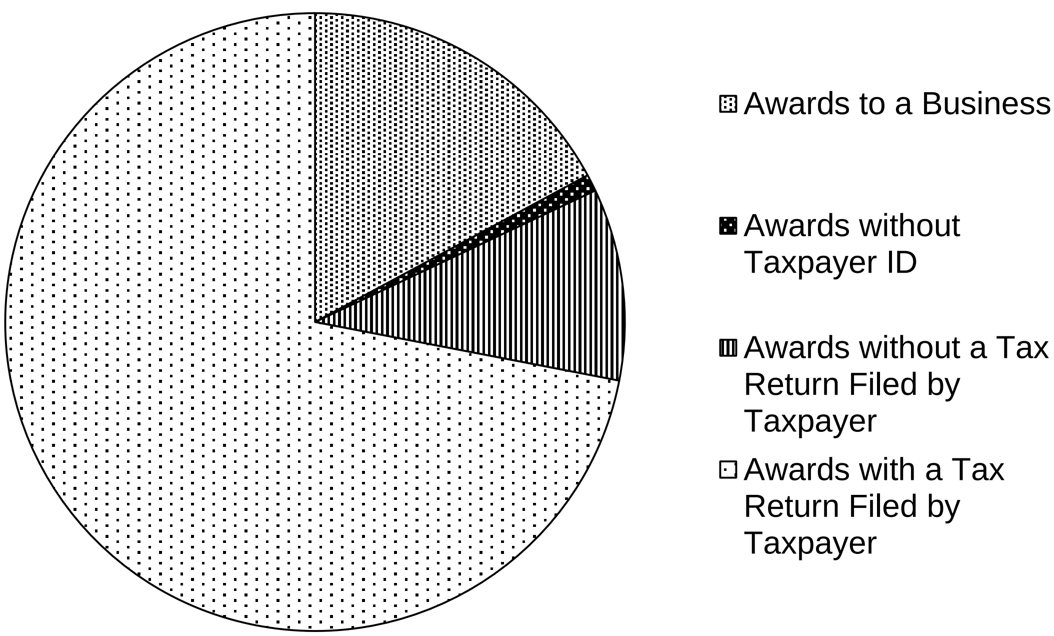
Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Figure 4. Percent of the Number of Unclaimed Awards by Type



Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Figure 5. Percent of the Amount of Unclaimed Awards by Type



Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 23. Statistics of Unclaimed Endow Iowa Tax Credit Awards by Household, Award Years 2006 through 2012

Award Year	Number of Unclaimed Awards	Number of Households with Unclaimed Awards	Total Unclaimed Awards Matched with Filed Tax Returns	Minimum Unclaimed Household Award	Maximum Unclaimed Household Award	Average Unclaimed Household Award	Median Unclaimed Household Award
2006	92	79	$36,092	$1	$10,000	$457	$50
2007	211	195	$121,727	$2	$28,276	$624	$50
2008	477	439	$261,326	$2	$41,036	$595	$40
2009	429	379	$155,816	$2	$20,003	$411	$25
2010	476	432	$397,837	$3	$135,000	$921	$40
2011	556	521	$132,197	$3	$10,000	$254	$38
2012	802	664	$216,189	$3	$15,940	$326	$63

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 24. Household Awards and Counts by Tax Liability, Award Years 2006 through 2012

	Households by Count				
Award Year	Total Households	Households with Awards Less than Tax Liability	Percent of Households that Could Have Completely Claimed Awards	Households with Awards Greater than Tax Liability	Percent of Households that Were Unable to Completely Claim Awards
2006	79	68	86.08%	11	13.92%
2007	195	170	87.18%	25	12.82%
2008	439	360	82.00%	79	18.00%
2009	379	307	81.00%	72	19.00%
2010	432	360	83.33%	72	16.67%
2011	521	410	78.69%	111	21.31%
2012	664	522	78.61%	142	21.39%
	Households by Amount of Awards				
Award Year	Total Awards	Total Household Awards Less than Tax Liability	Percent of Unclaimed Awards that Could Have Been Completely Claimed	Total Household Awards Greater than Tax Liability	Percent of Unclaimed Awards that Could Not be Completely Claimed
2006	$36,092	$18,433	51.07%	$17,658	48.92%
2007	$121,727	$61,794	50.76%	$59,932	49.23%
2008	$261,326	$97,739	37.40%	$163,587	62.60%
2009	$155,816	$90,918	58.35%	$64,898	41.65%
2010	$397,837	$77,410	19.46%	$320,426	80.54%
2011	$132,197	$83,729	63.34%	$48,468	36.66%
2012	$216,189	$118,686	54.90%	$97,503	45.10%

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns

Table 25. Households with Award Amounts Greater than Tax Liability, Award Years 2006 through 2012

Award Year	Number of Households with Awards Greater than Tax Liability	Number of Households with Zero Tax Liability	Awards Issued to Households with Zero Tax Liability	Number of Households with Positive Tax Liability	Awards Issued to Households with Positive Tax Liability	Tax Liability of Households	Amount of Awards Unable to be Claimed
2006	11	9	$16,231	2	$1,427	$1,085	$16,573
2007	25	22	$19,156	3	$40,776	$9,859	$50,073
2008	79	65	$76,565	14	$87,022	$26,736	$136,851
2009	72	59	$15,409	13	$49,489	$15,536	$49,362
2010	72	61	$158,418	11	$162,008	$17,921	$302,505
2011	111	99	$27,105	12	$21,363	$6,313	$42,155
2012	142	113	$40,734	29	$56,769	$15,594	$81,909
Total	512	428	$353,618	84	$418,854	$93,044	$679,428

Source: Endow Iowa award database, Economic Development Authority, and Iowa Department of Revenue; and Individual Income Tax Returns