

# 75% Iowa Income Tax Credit for Contribution to Our Faith STO

## Example for Individuals, S Corps, LLCs/Partnerships, Trusts, and Estates

*Consult with your tax advisor about potential tax benefits when donating to Our Faith STO*


<i>Iowa Tax Savings</i>					<i>Federal Tax Savings</i>		<i>Total Benefit</i>	<i>Net Cost</i>
<b>If individual's taxable income (line 38 on Iowa Form 1040) is:</b>	Then, IA income tax (based on 2023 tax rates) is approximately:	If you donate the following amount to MLTF:	Then, your IA tax credit is (75% of donation):	Reducing IA income tax to (overpayment):	Plus, if itemizing deductions on Federal return, deduct:	And, reduce Federal tax by (assuming 32% rate):	Total IA & Federal tax savings of:	Net cost to donor (donation less tax savings) of:
<u>A</u>	<u>B</u>	<u>C</u>	<u>D = C x 75%</u>	<u>E = B - D</u>	<u>F = C - D</u>	<u>G = F x 32%</u>	<u>H = D + G</u>	<u>I = C - H</u>
<b>\$100,000</b>	\$5,486	\$5,000	\$3,750	\$1,736	\$1,250	\$400	\$4,150	\$850
<b>\$150,000</b>	\$8,486	\$10,000	\$7,500	\$986	\$2,500	\$800	\$8,300	\$1,700
<b>\$200,000</b>	\$11,486	\$20,000	\$15,000	\$(3,514)	\$5,000	\$1,600	\$16,600	\$3,400
<b>\$300,000</b>	\$17,486	\$30,000	\$22,500	\$(5,014)	\$7,500	\$2,400	\$24,900	\$5,100
<b>\$400,000</b>	\$23,486	\$40,000	\$30,000	\$(6,514)	\$10,000	\$3,200	\$33,200	\$6,800

# 75% Iowa Tax Credit for Contribution to Our Faith STO

## Individual, S-Corp, LLC, Estates and Trust: Example Income Tax Benefits

*Consult with your tax advisor about potential tax benefits when donating to an STO.*

Taxable Income	Amount of Donation	After Iowa & Federal Tax Savings (based on IA 2023 rates and 32% Fed rate – 17% of donation amount):
If individual's taxable income (line 38 on Iowa Form 1040) is:	If you donate this amount:	Net cost to donor (donation amount less tax savings – 17% of amount of donation):
<u>A</u>	<u>C</u>	<u>I = C - H</u>
\$100,000	\$5,000	\$850
\$150,000	\$10,000	\$1,700
\$200,000	\$20,000	\$3,400
\$300,000	\$30,000	\$5,100
\$400,000	\$40,000	\$6,800



# C Corporations

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- As of July 2020, the restriction on C Corp donations to STOs of 25% of total contributions was eliminated.
- C Corps now qualify for the tax credit and a deduction for the gift.
- Consult with your tax professional on how this may help your business!

# 75% Iowa Tax Credit for Contribution to Our Faith STO

## Example Income Tax Benefits for C Corporations Only

*Consult with your tax advisor about your potential tax benefits when donating to Our Faith STO*

<i>Iowa Tax Savings</i>					<i>Federal Tax Savings</i>		<i>Total Benefit</i>	<i>Net Cost</i>
<b>If C corp's taxable income (line 16 on Iowa Form 1120) is:</b>	Then, IA income tax (based on estimated 2023 tax rates) is approximately:	If the C corp donates the following amount to MLTF:	Then, the IA tax credit is (75% of donation):	Reducing IA income tax to:	Plus, Federal business expense deduction for amount of credit of:	Plus, Federal charitable contribution deduction of:	Total IA & Federal tax savings of:	Net cost to donor (donation less total tax savings) of:
<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D = C x 75%</u></b>	<b><u>E = B - D</u></b>	<b><u>F = D x 21%</u></b>	<b><u>G = (C - D) x 21%</u></b>	<b><u>H = D + F + G</u></b>	<b><u>I</u></b>
<b>\$200,000</b>	\$13,900	\$17,500	\$13,125	\$775	\$2,756	\$919	\$16,800	\$700
<b>\$400,000</b>	\$30,700	\$35,000	\$26,250	\$4,450	\$5,513	\$1,838	\$33,600	\$1,400
<b>\$600,000</b>	\$47,500	\$52,500	\$39,375	\$8,125	\$8,269	\$2,756	\$50,400	\$2,100
<b>\$800,000</b>	\$64,300	\$70,000	\$52,500	\$11,800	\$11,025	\$3,675	\$67,200	\$2,800
<b>\$1,000,000</b>	\$81,100	\$87,500	\$65,625	\$15,475	\$13,781	\$4,594	\$84,000	\$3,500

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## Example Income Tax Benefits: C Corporations Only

*Consult with your tax advisor about potential tax benefits when donating to Our Faith STO.*

Taxable Income	Amount of Donation	After Iowa & Federal Tax Savings (based on estimated IA 2023 rates and 21% Fed rate - 4% of donation amount):
If C corp's taxable income (line 16 on Iowa Form 1120) is:	If you donate this amount:	Net cost to C corp donor (donation amount less tax savings – 4% of donation):
<u>A</u>	<u>C</u>	<u>I = C - H</u>
\$200,000	\$17,500	\$700
\$400,000	\$35,000	\$1,400
\$600,000	\$52,500	\$2,100
\$800,000	\$70,000	\$2,800
\$1,000,000	\$87,500	\$3,500