Sec. 71. Section 15E.303, subsections 4 and 6, Code 2005, are amended to read as follows:

- 4. "Endowment gift" means an irrevocable contribution to a permanent endowment held by an endow Iowa qualified community foundation.

- 6. "Qualified "Endow Iowa qualified community foundation" means a community foundation organized or operating in this state that substantially complies with the national standards established by the national council on foundations as determined by the department in collaboration with the Iowa council of foundations.

Sec. 72. Section 15E.304, subsection 2, paragraphs c and d, Code 2005, are amended to read as follows:

- c. Identify an endow Iowa qualified community foundation to hold all funds. An endow Iowa qualified community foundation shall not be required to meet this requirement.

- d. Provide a plan to the board demonstrating the method for distributing grant moneys received from the board to organizations within the community or geographic area as defined by the endow Iowa qualified community foundation or the community affiliate organization.

Sec. 73. Section 15E.304, subsection 3, Code 2005, is amended to read as follows:

- 3. Endow Iowa grants awarded to new and existing endow Iowa qualified community foundations and to community affiliate organizations shall not exceed twenty-five thousand dollars per foundation or organization unless a foundation or organization demonstrates a multiple county or regional approach. Endow Iowa grants may be awarded on an annual basis with not more than three grants going to one county in a fiscal year.

Sec. 74. Section 15E.305, subsection 1, Code 2005, is amended to read as follows:

- 1. For tax years beginning on or after January 1, 2003, a tax credit shall be allowed against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.24 equal to twenty percent of a taxpayer's endowment gift to an endow Iowa qualified community foundation. An individual may claim a tax credit under this section of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust. A tax credit shall be allowed only for an endowment gift made to an endow Iowa qualified community foundation for a permanent endowment fund established to benefit a charitable cause in this state. Any tax credit in excess of the taxpayer's tax liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever occurs first. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer
2 claims the tax credit.

Sec. 75. Section 15E.305, subsection 2, Code 2005, is amended to read as follows:

2. The aggregate amount of tax credits authorized pursuant to this section shall not exceed a total of two million dollars annually. The maximum amount of tax credits granted to a taxpayer shall not exceed five percent of the aggregate amount of tax credits authorized.

Sec. 76. Section 15E.305, subsection 2, Code 2005, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Ten percent of the aggregate amount of tax credits authorized in a calendar year shall be reserved for those endowment gifts in amounts of thirty thousand dollars or less. If by September 1 of a calendar year the entire ten percent of the reserved tax credits is not distributed, the remaining tax credits shall be available to any other eligible applicants.

Sec. 77. Section 15E.305, subsection 4, Code 2005, is amended to read as follows:

4. A tax credit shall not be authorized pursuant to this section after December 31, 2005.

Sec. 78. Section 15E.311, subsection 3, paragraphs a and c, Code 2005, are amended to read as follows:

a. At the end of each fiscal year, moneys in the fund shall be transferred into separate accounts within the fund and designated for use by each county in which no licensee authorized to conduct gambling games under chapter 99F was located during that fiscal year. Moneys transferred to county accounts shall be divided equally among the counties. Moneys transferred into an account for a county shall be transferred by the department to an eligible county recipient for that county. Of the moneys transferred, an eligible county recipient shall distribute seventy-five percent of the moneys as grants to charitable organizations for educational, civic, public, charitable, patriotic, or religious uses, as defined in section 99B.7, subsection 3, paragraph "b", charitable purposes.

3. As used in this subsection, an "eligible county recipient" means an endowment gift of charitable organizations for educational, civic, public, charitable, patriotic, or religious uses, as defined in section 99B.7, subsection 3, paragraph "b", charitable purposes.

e. For purposes of this section, an "eligible county recipient" means an endowment gift of charitable organizations for educational, civic, public, charitable, patriotic, or religious uses, as defined in section 99B.7, subsection 3, paragraph "b", charitable purposes.
qualified community foundation or community affiliate organization, as defined in section 15E.303, that is selected, in accordance with the procedures described in section 15E.304, to receive moneys from an account created in this section for a particular county. To be selected as an eligible county recipient, a community affiliate organization shall establish a county affiliate fund to receive moneys as provided by this section.

Sec. 79. Section 15E.311, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 5. Three percent of the moneys deposited in the county endowment fund shall be used by the lead philanthropic organization identified by the department pursuant to section 15E.304 for purposes of administering and marketing the county endowment fund.

Sec. 80. LEGISLATIVE INTENT. It is the intent of the general assembly that the entire two million dollars worth of tax credits allowed under section 15E.305, subsection 2, shall be issued each calendar year.

Sec. 81. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2005.

Amendment 3328 to HF 868 (Excerpt) – also passed and signed into law

<Sec. ___. Section 15E.305, subsection 2, Code 2005, is amended to read as follows:
2. The aggregate amount of tax credits authorized pursuant to this section shall not exceed a total of two million dollars annually. The maximum amount of tax credits granted to a taxpayer shall not exceed five percent of the aggregate amount of tax credits authorized.>