

# NICSTO Tax Credit Opportunity for Donors

(Northwest Iowa Christian School Tuition Organization)

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The state of Iowa has recognized the need to support taxpayers who wish to support Christian education. Iowa taxpayers can receive an **Iowa tax credit equal to 65%** of their donation to a School Tuition Organization such as NICSTO. In addition, part of your gift might also qualify for a federal tax deduction, if you itemize. The NICSTO program includes sixteen schools in NW Iowa and is a great tax benefit to those who will be paying Iowa taxes on their income, while blessing many families with tuition assistance.

## How does it work?

1. You must owe Iowa state income tax.
2. You **make out a check to NICSTO** (Northwest Iowa Christian School Tuition Organization) and designate "Sioux Center Christian School" on the "Contribution Memo" form.
3. Complete the "**Contribution Memo**" and send it with the check to Sioux Center Christian School.
4. NICSTO will send you a letter of receipt for your Federal Tax information.
5. In early January, you will receive a tax credit certificate to attach to your Iowa tax form. The tax credit is taken directly off the amount you owe in Iowa State taxes.

*A \$10,000 donation to NICSTO receives a 65% **Iowa tax credit** of \$6,500 on your 2019 IA income tax. You might also be able to deduct \$3,500 (35% of donation) on your Federal Income Tax return, if you itemize.*

If you are 70½ or older, your **IRA charitable rollover distribution** may be gifted to NICSTO, with the double advantage of not counting as income while you still receive the 65% Iowa tax credit.

Gifts in kind of grain, stock, and bonds may also be received.

***Please visit with your tax professional for specific tax implications and advice on how to best enjoy the donation opportunities of NICSTO.***

Your donation to NICSTO directly benefits Sioux Center Christian families. In the 2018-19 school year, 102 families received a total of \$279,300 to help cover tuition costs.

**The Sioux Center Christian School contribution goal for 2019-20 is \$303,003.**

## When do donations need to be sent in?

All donations will need to be sent in **by December 3, 2019**. **If you intend to donate, but don't know the amount until after you meet with your tax preparer** in December, please contact Kelli or Amy before Dec. 3 with your intention to donate - it may still be possible to donate after Dec. 3. **It is best to donate early!** Once NICSTO reaches its total goal of \$1,734,617, no more donations may be received.

If you have any questions, please contact Kelli Van Roekel or Amy Vander Berg at Sioux Center Christian School (712-722-0777).



**Northwest Iowa Christian School Tuition Organization  
(NICSTO)  
CONTRIBUTION MEMO - 2019  
SIOUX CENTER CHRISTIAN SCHOOL**

This completed memo must accompany your contribution.  
A formal Iowa Tax Credit Certificate will be sent to you in early January.

\_\_\_\_\_  
Taxpayer/C or S Corporation/LLC/Partnership Name      Date of Contribution

\_\_\_\_\_  
Address      Amount of Contribution

\_\_\_\_\_  
City      State      Zip Code

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

\_\_\_\_\_  
Taxpayer I.D. No. (Social Security No.)      Did you contribute in 2018?    Yes      No

Please apply my contribution to the following school(s): \_\_\_\_\_

**Please make check payable to: Northwest Iowa Christian School Tuition Organization.**

Your contribution may be mailed or delivered to either of the following addresses:

**Sioux Center Christian School**

**Attn: NICSTO**

**630 1<sup>st</sup> Ave SE**

**Sioux Center, IA 51250**

OR

Northwest Iowa Christian Schools Tuition Organization

204 Kentucky Ave NW

Orange City, IA 51041

# NICSTO

Northwest Iowa Christian Schools Tuition Organization • 204 Kentucky Ave NW • Orange City, IA 51041

EDUCATIONAL OPPORTUNITIES ACT: GOOD NEWS FOR CHRISTIAN SCHOOLS AND IOWA TAXPAYERS

The Educational Opportunities Act allows Iowa residents, C corporations, S corporations, LLC, Partnership, etc. to receive a **65% direct tax credit** for contributions made to school tuition organizations throughout Iowa. Contributions are also eligible for Federal tax deductions.

## **What is a school tuition organization?**

School tuition organizations (STOs) receive charitable contributions from individuals and corporations that pay Iowa income tax and redirect this money in the form of tuition grants to eligible students. Eleven STOs have formed across Iowa to represent various accredited nonpublic schools.

## **What is NICSTO?**

NICSTO or Northwest Iowa Christian School Tuition Organization represents sixteen Christian schools throughout Northwest Iowa who benefit directly from donations to NICSTO.

## **Is there a difference between a tax credit and a tax deduction?**

A tax deduction simply reduces the total amount of income on which your tax is computed. On the other hand, a tax credit is taken directly off the amount you owe or paid in state taxes, making it much better than a deduction. People that may have always wanted to support Christian education now have a very tax efficient opportunity to do so.

## **Is there a limit on how much one person can give, or how much a STO can receive?**

There are **no** individual gift limits. Gifts can be received in cash or grain. However, each STO has a cap on the total amount of tax credits it may issue. Each STO's cap is determined by Iowa Department of Revenue.

## **Who may receive tuition grants?**

The law restricts tuition grants to students living in households with income that does not exceed four times the federal poverty guideline. STOs may set additional eligibility requirements.

## **What does the Educational Opportunities Act mean to Northwest Iowa Christian Schools?**

It means that Christian education is more accessible to many more families. Through donations to NICSTO, many families who have children in Christian schools will receive some tuition help. For more information about NICSTO and how you can contribute and receive a tax credit, contact a representative of one of the following Christian schools:

**Hull Christian School • Hull Protestant Christian School • Ireton Christian School  
Inwood Christian School • Kanawha Christian School • North Iowa Christian School  
Netherlands Reformed Christian School • NW Iowa Prot. Doon Christian School  
Orange City Christian School • Rock Valley Christian School • Sanborn Christian School  
Sheldon Christian School • Sioux Center Christian School • Siouxland Christian School  
Unity Christian High School • Western Christian High School**