

75% Iowa Income Tax Credit for Contribution to CTO

Example Income Tax Benefits for C Corporations Only

Consult with your tax advisor about your potential tax benefits when donating to CTO

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