

Tuition Tax Credit Information

The State of Iowa provides tax credits to parents who send their children to private schools. The following summary from the Iowa Catholic Conference gives the background of the law and explains the Tax Credit Program and how to take advantage of it.

1987 LEGISLATION

The legislature enacted a combination tax credit/tax deduction law. The original Iowa legislation provided a deduction for taxpayers who itemize their deductions up to a \$1,000 of textbook and tuition expenses. It provided a credit of 5% up to \$1,000 for these expenses for each dependent. The law did not apply to taxpayers with a net income of \$45,000 or more.

1996 LEGISLATION

Senate File 2467 did three things:

- It eliminated the deduction or credit arrangement and made it a credit for all taxpayers with eligible expenses;
- It allows all taxpayers to take the credit--not just those with a net income of under \$45,000;
- It raises the credit from 5% to 10% of the first \$1,000 the taxpayer pays for tuition and textbooks in accredited schools. The maximum credit is \$100 per child.

1998 Legislation

It raises the credit from 10% to 25% of the estimated total cost of this program is now \$3.75 million per year, an increase of \$2.25 million. In addition, the definition of "tuition" and "textbooks" has been expanded to now "include those expenses which relate to extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or programs of a similar nature."

2005 Legislation

It extends the tax credit to include Preschool which by definition means a child care facility which provides to children ages three through five, for periods of time not exceeding three hours per day, programs designed to help the children to develop intellectual skills, social skills, and motor skills, and to extend their interest and understanding of the world about them.

Tuition Tax Credit Parent/guardian Claim Form

Section 422.12, subsection 2, Code 1997, "A tuition credit equal to twenty-five percent of the first one thousand dollars which the taxpayer has paid to others for each dependent preschool through twelve, for tuition and textbooks of each dependent in attending an elementary or secondary school situated in Iowa, which school is accredited or approved under section 256.11, which is not operated for profit, and which adheres to the provisions of the federal Civil Rights Act of 1964 and chapter 216. As used in this subsection, 'textbooks' means books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state and does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to inculcate those tenets, doctrines, or worship. 'Textbooks' includes books or materials used for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or programs of a similar nature. Notwithstanding any other provision, all other credits allowed under this section and section 422.128 shall be deducted before the tuition credit under this subsection. The department, when conducting an audit of a taxpayer's return, shall also audit the tuition tax credit portion of the tax return."

“As used in this subsection, ‘tuition’ means any charges for the expenses of personnel, buildings, equipment, and materials other than textbooks, and other expenses of elementary or secondary schools which relate to the teaching only of those subjects legally and commonly taught in public elementary and secondary schools in this state and which do not relate to the teaching of religious tenets, doctrines, or worship, the purpose of which is to inculcate those tenets, doctrines, or worship. ‘Tuition’ includes those expenses which relate to the extracurricular activities including sporting events, musical or dramatic events, speech activities, driver’s education or programs of a similar nature.”

Parent/Guardian _____

Address _____

City/State/Zip Code _____

Please list all children and indicate the amount paid for each student between January 1, 2011 and December 31, 2011

Child(ren)	Tuition & Textbooks	Extracurricular fees	Total	Credit*
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Credit _____

*The credit is equal to 25% of the first \$1000 of the total line for each child. The maximum credit per child is \$250.

This serves as official notification that the above tuition and fees were paid by the parent/guardian to _____ School, _____, Iowa which is an accredited nonpublic school.

Principal/Administrator

Date

Please provide this documentation to the person who prepares your tax returns.