

DONATING STOCK

In 2006, the Iowa Legislature passed the Educational Opportunities Act which allows Iowa taxpayers to receive a tax credit equal to 65% of the total amount of voluntary contributions made to a School Tuition Organization. This year, 2021, that has been increased to 75%.

A School Tuition Organization (STO) is a charitable organization that receives voluntary contributions from Iowa taxpayers and allocates those funds in tuition grants to eligible Iowa school children, who in turn use those grants to attend one of the non-public schools represented by the STO. At least ninety-percent of the money received by a STO must be awarded in tuition grants.

The STO in the state of Iowa for Lutheran students is ILSTO (Iowa Lutheran School Tuition Organization).

How Does It Work?

- Donor or broker notifies the ILSTO of his/her intent to donate stock. Notification can be done via telephone or e-mail.
- Donor or broker initiates transfer of the stock and to obtain ILSTO account information for transfer.
- ILSTO assumes ownership of the stock and sells it for market value.
- The donor receives an Iowa tax credit equal to 75% of the average value of the stock on the date of donation. This tax credit can be applied to Iowa income tax liability within the next 5 years.
- The donor does not recognize the gain from the sale of the stock for federal or state income tax purposes.
- Donor receives appreciated stock value for the donation of the stock for both the Iowa tuition credit and charitable donation for federal tax purposes.

National Financial Services
Iowa Lutheran School Tuition Organization
TY9-061662 is the account number
DTC #0226