

## Is There a Lot of Paperwork?

No! Simply fill out **one brief form** with your contact information and the amount you are pledging/donating. When you're ready to send your donation, make your check to the Heart of Iowa STO and send it to Sarah Jackson, Isaac Newton's Development Director. We'll submit it to the STO and **the tax credit certificate is sent directly to you from the STO, to be attached to your tax return. It is that simple.**



## Donation Deadline

The donation deadline for the 2020-2021 school year is December 15, 2020. Although the deadline to receive gifts is in December, we like to get the funds pledged or raised by June each year so that our families can know their grant amount before the start of the school year. **Be sure to return your pledge early**, because once our total has been raised, we may not be able to accept your donation and you'll miss out on the tax credit.

Member schools in the Heart of Iowa STO are:

- Isaac Newton Christian Academy
- Ames Christian School
- Ankeny Christian Academy
- Cedar Valley Christian School
- Des Moines Christian School
- Grand View Christian School
- Heartland Christian School
- Marshalltown Christian School
- Morning Star Academy
- Mt. Olive Lutheran School
- Pella Christian Grade School
- Tri State Christian School
- Waterloo Christian School

**Isaac Newton Christian Academy**  
**1635 Linmar Drive NE**  
**Cedar Rapids, IA 52402**

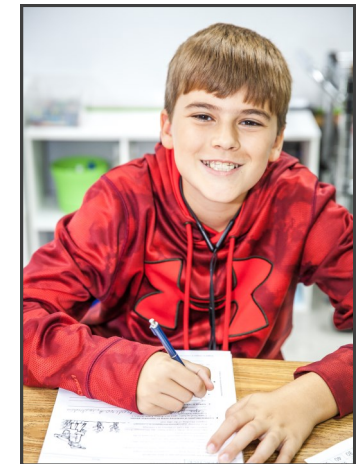
**319.362.9512**

**[incaonline.org](http://incaonline.org)**



Developing Christlike Character  
and Academic Excellence

Heart of Iowa  
School Tuition  
Organization  
(STO)



Give the gift of school choice to an  
Isaac Newton family and receive a  
**65% Iowa tax credit** in return.  
**Smart. Stewardship.**

Your donation to the Heart of Iowa STO gives qualifying families the ability to choose a Christian education that is academically excellent and supports the values our families cherish. In return, you will receive an Iowa tax credit and the gift of knowing that you helped some great children attend the Academy!

## What is a School Tuition Organization?

A School Tuition Organization (STO) is a charitable organization representing two or more accredited nonpublic schools in Iowa that receives contributions from Iowa taxpayers and allocates those funds in tuition grants to Iowa families. The grants are used to attend one of the schools in the STO. Isaac Newton Christian Academy is part of the Heart of Iowa STO.

“This is a great way for me to direct some of my tax dollars. The tax credit is extremely generous and I can take the gift as a deduction on my federal income taxes! The STO mails me my tax certificate and I simply submit it with my state taxes. What a great way to support Christian education and the work going on at Isaac Newton!”  
—STO Donor

## The Basics of Giving to the STO:

1. Contribute to the Heart of Iowa STO and designate Isaac Newton Christian Academy for your gift.
2. Receive a 65% tax credit off your final Iowa state income tax bill.
3. You can deduct the remaining 35% of your contribution on your federal tax return form when you itemize.
4. Best of all, your contribution goes directly to help provide a Christian education for an Isaac Newton student who could not otherwise afford it.

## How Much Money Is Available For the Tax Credits?

For the 2020-2021 school year, Isaac Newton has been allocated **\$170,228**. These funds need to be received by December 15, 2020.

## Who May Receive These Tuition Grants?

The legislation restricts tuition grants to students living in households with incomes that do not exceed an amount equal to three to four times the federal poverty guideline based on family size. Families that meet these guidelines complete an application. The Isaac Newton Scholarship Committee then allocates these funds based on a formula in a confidential, timely manner.

## Who Can Donate To An STO?

Any Iowa taxpayer. In addition, STO's can receive donations from partnerships, S-Corporations, LLCs, estates, or trusts electing to have income taxed directly to the individual. Donors receive an Iowa income tax credit equal to 65% of the total amount of a donation made to an STO. Both cash and non-cash items such as stock are acceptable donations.



## Is a Tax Credit Better Than a Tax Deduction?

A tax deduction simply reduces the total amount of income on which your tax is computed. A tax credit is taken directly off the amount you owe in state taxes and is better than a deduction. Here is an example:

\$10,000 Contribution to a STO		<b>Look at the difference!</b>	\$10,000 Charitable Contribution	
Federal tax return	\$2,800		Federal tax return	\$2,800
Iowa Tax Credits	\$6,500		Iowa tax return	\$1,000
Tax savings of	<b>\$9,300</b>		Tax savings of	<b>\$3,800</b>

Assumes 28% tax bracket. This is provided as an example. All taxpayers should consult with their tax advisor for specific information.

**This is the most generous Iowa tax credit available.**

## What About My Federal Income Tax?

The IRS recently ruled on how you could report the contribution on your Federal Income tax return. Donors are allowed to deduct the remaining 35% of your contribution on your Federal Tax return. (Using our \$10,000 example above you could use \$3,500 as a charitable contribution deduction).

**Please consult your tax advisor about how to maximize your contribution.**

