

## **CTO donations net substantial tax relief for donors**

The Educational Opportunities Act passed by the Iowa Legislature in 2006 gave nonpublic schools the ability to form school tuition organizations, contributions through which benefit students who might not otherwise be able to afford tuition at a private school.

The Diocese of Des Moines established the Catholic Tuition Organization, or CTO, in response to the Educational Opportunities Act, and the door has been opened to help thousands of students in the diocese attend the Catholic school of their choice ever since.

Those who donate to the CTO benefit directly from the donation as well.

Along with providing assistance to families in providing an education for their children at a Catholic school, donors receive a tax credit equaling 65 percent of the amount donated to the CTO.

Tax credits from the CTO reduce the amount of State of Iowa tax bill for the donor, and the credit comes with no limit on the amount that can be contributed to the CTO. Tax credits received through CTO donations can also be carried forward for five years.

The total tax credits available for donors through the CTO for 2008 are nearly \$1.3 million, according to Jeanne Wells, of the CTO.

“This is the third year the total amount of tax credits available to donors has increased,” Wells said.

But the opportunity to assist families with Catholic school tuition while netting a significant tax savings won’t last indefinitely.

Since its inception the CTO program has been popular, and each year, people wishing to benefit from the 65% tax credit have moved fast to do so.

“If the contributions come in as in previous years, all tax credits will be used by Dec. 1,” said Wells.

For more information on the CTO or to make a donation, visit [www.ctodsmdiocese.org](http://www.ctodsmdiocese.org) or call 515 237-5010.