



Iowa Department of
REVENUE

**Iowa's Tuition and Textbook Tax Credit
Tax Credits Program Evaluation Study**

March 2018

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Preface

Iowa Code Section 2.48 directs the Legislative Tax Expenditure Committee to review all tax expenditures with assistance from the Department of Revenue. This law also provides a schedule for such reviews and requires a review in 2017 of the Tuition and Textbook Tax Credit. In addition, the Department was directed to assist the Legislature by performing periodic economic studies of tax credit programs. An evaluation study of the Tuition and Textbook Tax Credit was completed in 2012. This abbreviated study updates the information about claims and claimants provided in that earlier study.

This study and other evaluations of Iowa tax credits can be found on the [evaluation study web page](#) on the Iowa Department of Revenue website.

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I. Introduction

The Iowa Tuition and Textbook Tax Credit (TTC) equals 25 percent of the first \$1,000 in eligible education expenses for taxpayers with children attending elementary or secondary grades at an accredited school in Iowa. The tax credit is nonrefundable and with no carryforward. The tax credit can only be claimed against Iowa individual income tax.

This is the second evaluation study completed on the Tuition and Textbook Tax Credit. This study is an abbreviated look at this tax credit. Section II of this study discusses the history of the Tuition and Textbook Tax Credit. Section III of this study looks at the statistics related to TTC claims. Section IV concludes.

II. History of the Tuition and Textbook Tax Credit

Beginning in 1987, taxpayers who itemized deductions on their State income tax returns could deduct up to \$1,000 in eligible education expenses per dependent, while taxpayers who took the standard deduction could claim a nonrefundable tax credit equal to five percent of the first \$1,000 in eligible expenses per dependent. Expenses must be incurred for dependents attending kindergarten through 12th grade at an Iowa school, accredited under Iowa Code section 256.11, not operated for profit, and adhering to the provisions of the U.S. Civil Rights Act of 1964. Taxpayers with federal adjusted gross income of \$45,000 or more could not claim either the itemized deduction or the tax credit. Married couples were required to combine their incomes in considering the \$45,000 limitation, even if filing separately. In the case of divorced parents, only the spouse claiming the dependent credit could claim expenses for that dependent. Eligible education expenses included only tuition and fees; expenses for extracurricular activities were not eligible for the deduction or the tax credit.

In 1996, the itemized deduction option was discontinued and the Tuition and Textbook Tax Credit was made available to all taxpayers with eligible expenses. The tax credit percentage was increased from five percent to ten percent of the first \$1,000 of eligible expenses per dependent and the \$45,000 income restriction was eliminated.

In 1998, the tax credit percentage was increased from ten percent to 25 percent of the first \$1,000 of eligible expenses. The definition of "textbooks and tuition" was expanded to include books and materials for extracurricular activities. The tax credit remained nonrefundable, meaning it can only be used to offset current tax year liability, and there is no carry-forward provision. The tax credit has not been altered since 1998.

Eligible expenses include costs for personnel, buildings, equipment, textbooks, and other expenses for subjects legally and commonly taught in Iowa's public elementary and secondary schools as well as books and materials for extracurricular activities, such as sporting events, music, drama or speech events, driver's education, or programs of a similar nature (see Table 1). Expenses relating to the teaching of religious doctrines,

tenants, or worship, are not eligible, nor are expenses related to home schooling, tutoring, or schooling outside of an accredited school.

III. Analysis of Iowa Tuition and Textbook Tax Credit Claims

A. Historical Tuition and Textbook Tax Credit Claims (1999 – 2015)

Historical data show large increases in both the number of TTC claimed and the amount of credits claimed from 1999 through 2007 (see Figures 1 and 2). An observable plateauing with slight variation occurs from 2007 through 2015 in both the number of TTC claimed and the amount of credits claimed.

The number of TTC claims increased from 76,000 in 1999 to a high of 121,000 from 2009 through 2012 and the aggregate TTC claims increased from \$10.3 million in 1999 to a high of \$15.5 million in 2015. During the 2015-16 school year, a total of 517,370 students attended accredited public and private elementary and secondary schools in Iowa. Public school enrollment decreased by an average of 0.5 percent per year from 1999 through 2010 before increasing by an average of 0.4 percent from 2010 through 2015 (see Figure 3). School enrollment trends reflect the school-age population dropping from 1999 through 2010 before increasing each year since. In contrast, private school enrollment has declined from 42,300 students in 1999 to a low of 33,100 in 2013, or -21.7 percent. Recorded private school enrollment in 2014 and 2015 were each approximately 33,900. Private school enrollment declined in 14 of 16 years from 1999 through 2015, for an average annual decline of 1.3 percent.

The pattern of TTC claims does not follow either public or private school enrollment patterns. After moving to its current structure in 1998, a 25 percent nonrefundable tax credit with no income limit, it appears that taxpayer awareness drove the rise in claims over the next nine years. After that point, the plateauing suggests widespread knowledge and usage; later analysis will question that suggestion, however. In tax years 2014 and 2015, the counts of claims dipped below 120,000 while the value of claims continued to rise. This indicates a rising average claim in recent tax years.

B. Tuition and Textbook Tax Credit Claimant Characteristics

For tax year 2015, the most recent complete tax year, 118,348 households claimed a total of \$15.5 million in TTC. Although taxpayers report the total number of dependents in the household (250,025), taxpayers do not indicate on the return the number of dependents with expenses for which Tuition and Textbook Tax Credits are being claimed. Dependents claimed on the Iowa individual income tax return can be of all ages while the TTC is limited to eligible expenses incurred for dependents in kindergarten through 12th grade. To determine the number of dependents in grades K-12, Iowa income tax returns were matched with federal tax return information containing the birth dates of up to four dependents. Of the total number of dependents claimed on

returns with a TTC claim, 216,508 dependents (86.6%) were identified as elementary and secondary school age, 5 to 21, referred to as qualifying dependents (see Table 2).¹ No federal age data could be matched to 3,575 dependents, in many cases because the household had more than four dependents. It was assumed that any dependents in a household beyond four and dependents with no age data matches were between ages 5 to 21. Under these assumptions, 220,083 dependents are considered qualifying.

The largest number of households claiming TTC reported two qualifying dependents (see Table 3). These households accounted for the largest share of dependents for which credits were claimed at 42.3 percent and the largest dollar share of credits claimed at 38.4 percent. Households with three dependents were the second largest group with 26.3 percent of dependents and 24.3 percent of credits claimed. Households with only one dependent accounted for 19.1 percent of the dependents for which credits were claimed, and 21.1 percent of TTC claims. Not surprisingly, as the number of qualifying dependents increases, the average claim per household increases. Overall, the average household TTC claim was \$131. The average claim per dependent is highest for households with four or more dependents with an overall average claim per dependent of \$93.

Although the taxpayer is not required to report on the tax return the expenses for which the credit was claimed or the school attended by each dependent, the size of the claim can suggest claimants whose children attend private school. In tax year 2015, 9,694 households, or 8.2 percent of all claimants claimed the maximum credit of \$250 for each qualifying dependent (see Table 4). Because these taxpayers are claiming \$1,000 in eligible expenses for each dependent, it is likely that they are paying tuition to a private school. The estimated 8.2 percent share is higher than the 6.6 percent share of all Iowa students who attended private schools during the 2015-2016 school year (Iowa Department of Education). These households are receiving credits for 17,237 dependents, or 6.7 percent of all dependents. Since 2010, when the share of households claiming the max credit was 7.2 percent, the share of households claiming the maximum credit per dependent has increased nearly each year.

Given that only dependents attending an accredited Iowa school are qualifying, it is expected that the tax credit is mainly claimed by Iowa residents. Based on the Iowa county of residence reported on the tax return, 117,401 resident households claimed \$15.3 million (98.9%) in credits (see Table 5). Nonresidents can claim the Tuition and Textbook Tax Credit as long as their children are attending an accredited school in Iowa. There were 947 nonresident households who claimed a total of \$169,319 in TTC in tax year 2015. The nonresident claims with mailing addresses in neighboring states are broken down as follows: Illinois (92), Minnesota (81), Missouri (49), Nebraska (125), South Dakota (87), and Wisconsin (44). The other 469 nonresident returns had addresses from states not contiguous to Iowa; these could reflect taxpayers who lived in

¹ Disabled children can attend secondary school through age 21.

Iowa at some point during the year but had moved out of the state by December 31, 2015.

In tax year 2015, married households filing separately on a combined return made up the largest share of the number of TTC claims (67.4%), followed by head of household (18.1%), married joint (12.1%) and single filers (1.5%) (see Figure 4). Married separate filers filing on separate returns and qualifying widow(er)s made up less than one percent of all claimants (0.8% and 0.1%). As expected, when considering the amount of TTC claimed, married taxpayers filing separately on combined returns also had the largest share of dollar claims (70.0%) (see Figure 5). However, married joint filers had the second largest share of credit claims (16.2%), followed by head of household filers (12.1%) and single filers (1.0%). Married separate filers filing on separate returns and qualifying widow(er)s accounted for less than one percent of dollars claimed (0.6% and 0.1%).

Taxpayer age data indicates that 90.3 percent of TTC claimants were between the ages of 31 and 55. Those households claimed 92.2 percent of all TTC dollars claimed for tax year 2015 (see Table 6).² The 41 to 45 age group had the largest number and amount of claims; these households accounted for 23.9 percent of the number of claims and 26.7 percent of the amount of TTC claimed. This is not surprising as these are ages when a large number of taxpayers are likely to have school-age children.

Iowa taxpayers claiming the TTC are concentrated in middle and upper income levels, with households reporting less than \$20,000 in adjusted gross income (AGI) comprising only 0.9 percent of TTC households and 0.7 percent of the dollars being claimed (see Table 7). Low-income taxpayers are exempt from public school fees, reducing qualifying expenses. These taxpayers also have less tax liability against which to claim the nonrefundable tax credit. Claimants with AGI between \$20,000 and \$49,999 comprised 21.0 percent of the total number of claims and 14.9 percent of the total dollars claimed. Households with AGI between \$50,000 and \$150,000 comprised 64.8 percent of the total number of claims and 63.0 percent of the total amount claimed. The average TTC claim rises from \$77 to \$235 as income rises. Because the average TTC claim rises as AGI rises, the shares of dollars claimed exceed the shares of claimants at the higher income levels (above \$90,000). Households with income above \$150,000 reported 13.7 percent of the number of claims and 21.3 percent of the total amount of TTC claimed. As income rises, taxpayers are able to spend more on their children's education, including the choice of private school.

Based on the TTC rate of 25 percent, total eligible education expenses for which TTC were claimed totaled nearly \$62 million in calendar 2015 (see Table 7). However, this is a lower bound of total expenses because, as noted above, 8.2 percent of households

² Married taxpayers are grouped by the age of the primary spouse.

claimed the maximum credit of \$250, and thus could have incurred significantly higher expenses than the expenses cap of \$1,000 per dependent.³

C. Tuition and Textbook Tax Credit Claims by School District

Across the state, only 33.8 percent of taxpayers identified with qualifying dependents claimed a Tuition and Textbook Tax Credit in tax year 2015 (see Table 7). The utilization rate is defined as the ratio of resident households claiming the credit compared to all resident households with dependents between ages 5 and 21. The households included in the utilization rate are limited to resident taxpayers because dependents must attend an Iowa accredited school in order for a taxpayer to claim the credit. In analyzing the utilization rate by AGI, the highest rate occurred between \$100,000 and \$124,999 and \$125,000 and \$149,999 (over 50.0% for these income ranges). The lowest rates were found in the less than \$20,000 group (1.9%) and the \$20,000 to \$29,999 income group (14.4%). Recall that many households in these low income groups may not face any eligible expenses or may not have any Iowa tax liability against which to claim the nonrefundable TTC.

Comparing utilization rates across the 359 school districts in existence for the 2015-2016 school year reveals significant variation. Iowa resident taxpayers must provide their school district of residence on their individual income tax return. Although it is possible that a taxpayer may reside in one school district and their children attend school in a different district, for this analysis the taxpayer is considered in the school district of residence. The utilization rate ranges from 7.7 percent in the Corning School District to 56.3 percent in the Pella School District (see Figure 6). Over one-half of households with qualifying dependents claimed the credit in 9 school districts while less than one-fifth made claims in 21 school districts. The highest utilization rates appear to coincide with the location of private schools.

The top ten school districts with the highest total of TTC dollars claimed tended to be, not surprisingly, the school districts with the most eligible households, defined as any resident household with a dependent aged 5 to 21 (see Table 8). Total TTC claims among school districts ranged from \$536 in the Hamburg School District to \$891,436 in the Des Moines School District. In tax year 2015, the Des Moines, Cedar Rapids, and Davenport school districts were the three largest school districts in the state based on the number of eligible households. These three districts ranked as the top three districts in terms of TTC claims and comprised three of the top four districts in terms of count of claims (Dubuque School District had one more claim than Davenport School District). Five of the other seven districts with the highest amount of claims were also in the top ten largest school districts based on eligible households. Despite these districts claiming the highest amounts of credits, only four of the top ten had utilization rates above the statewide average of 33.8 percent.

³ According to the School Tuition Organization Evaluation Study, the average non-public school tuition for the 2015-16 school year was approximately \$3,300.

Ranking the school districts by credit claims per pupil results in a much different group of top school districts. Credits per pupil ranged from \$2 in the Hamburg School District to \$163 in the Boyden-Hull School District (see Table 9). Five of the school districts in the top ten based on the average per pupil claim are located in Sioux County in Northwest Iowa.

School districts were ranked by average TTC credit claim for households making claims. The average credit claimed by school district in 2015 ranged from \$38 in the Hamburg School District to \$354 in the Rock Valley School District (see Table 10). The ten school districts with the highest average household claim ranked from 27th in the number of eligible households to 301st. Nearly all of these school districts had above average utilization with only the Sheldon school district below the statewide average. Six of the school districts in the top ten based on the average household claim are located in Sioux County in Northwest Iowa.

Pella School District had the highest utilization rate in the state with 56.3 percent of households with qualifying dependents making TTC claims (see Table 11). Nearly all of the top ten school districts by utilization had utilization rates over 50 percent, with West Marshall School District registering a 49.0 percent utilization rate. Western Dubuque was the largest school district in the top ten with 1,483 eligible households and North Winneshiek, which ranked 3rd by utilization rate, was the smallest district with only 94 households with qualifying dependents.

D. Claims for Tuition and Textbook Tax Credit and Other “Family” Credits

The Tuition and Textbook Tax Credit is one of four income tax credits in Iowa that target families with children. The first of these tax credits is the refundable Earned Income Tax Credit (EITC) which is equal to 15 percent of the federal Earned Income Tax Credit. The federal EITC is limited to households with adjusted gross income below \$60,000. Second is the refundable Child and Dependent Care Tax Credit (CDC) which is equal to 75 percent to 30 percent of the federal Child and Dependent Care Credit for households with AGI below \$45,000. Third is the Early Childhood Development Tax Credit (ECD), a refundable credit equal to 25 percent of qualified early childhood development expenses for dependents age three to five. Taxpayers receiving this credit also must have AGI less than \$45,000. Eligible expenses for the credit include preschool expenses, books, instructional materials, lesson plans and curricula, and child development and educational activities outside the home. The CDC and ECD Tax Credits are mutually exclusive of each other and cannot both be claimed in the same tax year by a taxpayer.

In 2015, the 118,348 TTC claims were second only to the 220,110 EITC claims among the family credits (see Table 12). Only 20,706 households claimed the CDC Tax Credit and only 4,291 households claimed the ECD Tax Credit. Distributional analysis of the credits shows that the TTC is heavily claimed by middle and upper income households,

with nearly 85 percent of the dollars being claimed by households with \$50,000 or more in AGI.

The other three family credits are claimed predominantly by households with lower incomes due to the income eligibility limits of those credits (see Table 12). As noted above, the CDC and the ECD Tax Credits are limited to households with income under \$45,000, while the maximum household income at which the EITC could be claimed was \$53,267 for tax year 2015. Because the TTC is nonrefundable, lower income taxpayers with eligible education expenses but no tax liability against which to apply that credit could not claim it. The other three credits are refundable so any tax credit in excess of tax liability could be claimed as a refund by the taxpayer. As a result of these factors, TTC claims by households with lower incomes comprise a lower share of total credits compared to the other three family credits. Households with income under \$20,000 comprise only 0.9 percent of the number of TTC claimants and those households claim only 0.7 percent of the total amount of TTC claimed. EITC claimants with income under \$20,000 represent 55.5 percent of the number of households claiming EITC and 52.0 percent of the total amount of EITC dollars claimed. Households with income under \$20,000 comprised 24.0 percent of the number CDC claims and 30.6 percent of total CDC dollars claimed, while households with less than \$20,000 in AGI accounted for 38.0 percent of the number of ECD claims and 37.4 percent of the amount of ECD dollars claimed.

III. Conclusion

The Tuition and Textbook Tax Credit offers a subsidy for households in Iowa that incur unreimbursed education expenses for dependents attending elementary or secondary public or private school. Eligible expenses include tuition and fees, busing costs, textbooks and instructional materials, non-street clothing and shoes, musical instrument rental, but no costs associated with home-schooling.

In tax year 2015, over 118,000 households claimed \$15.4 million in nonrefundable tax credits for over 250,000 dependents. However, in that same year, nearly 500,000 students attended Iowa public and private elementary and secondary schools, indicating that not all families either have eligible expenses or are aware about the existence of the tax credit. Utilization is higher in public school districts that also have a private school. Utilization is also higher among higher income households.

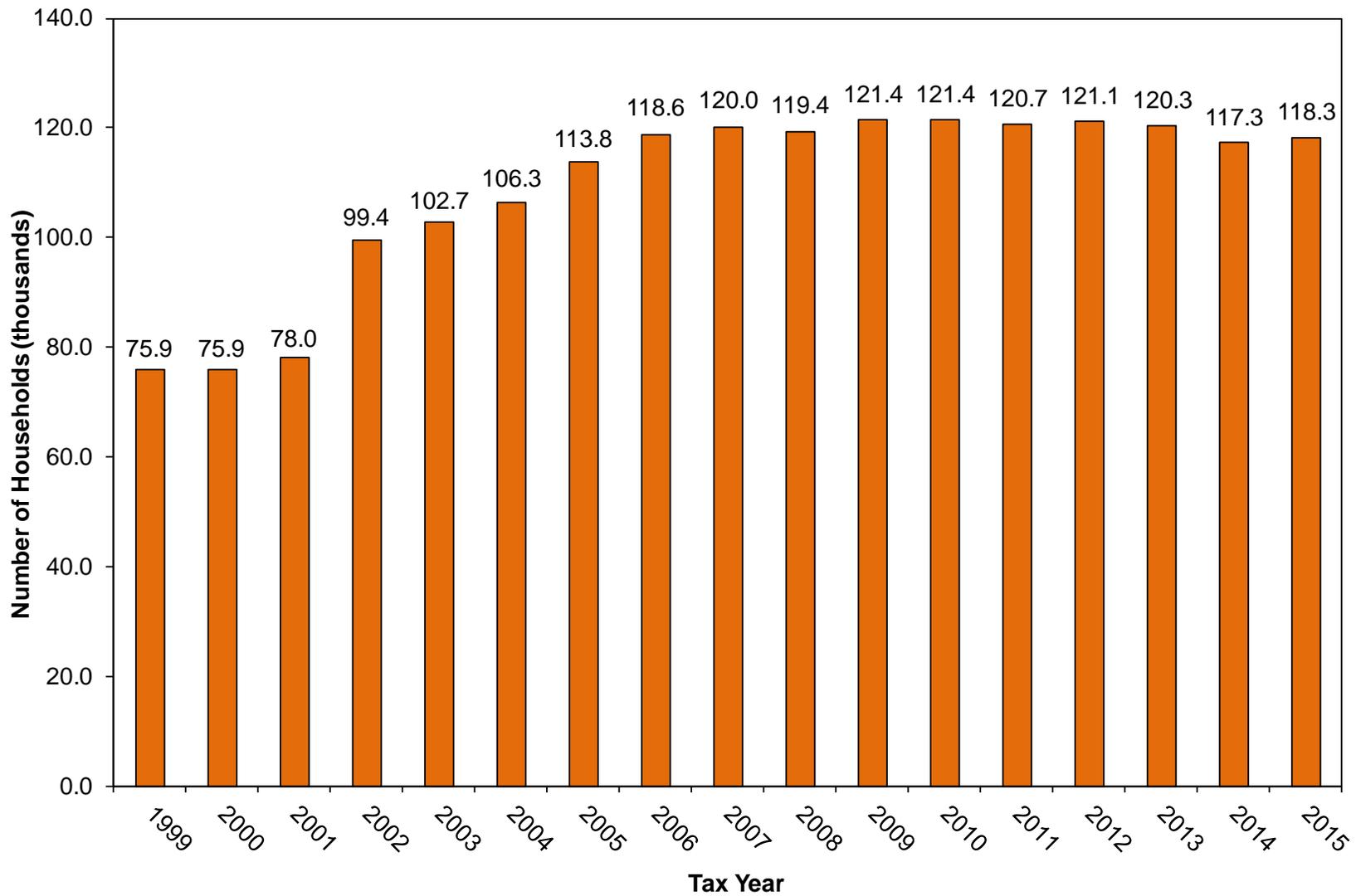
Iowa's Tuition and Textbook Tax Credit
Tables and Figures

Table 1. Expenses Eligible for the Tuition and Textbook Tax Credit

Expenditure Category	Eligible Expenditures	Ineligible Expenditures
Tuition	Tuition for any K-12 school that is accredited	Any amount for food, lodging, or clothing or amounts paid relating to the teaching of religious tenets, doctrines or worship; amounts for private instruction or tutoring not paid to a school
Textbooks and Publications	Textbooks and other instructional materials used in teaching subjects legally and commonly taught in Iowa's public elementary and secondary schools, including those needed for extracurricular activities (including fees for required textbooks and supplies); computers, if required	Yearbooks or annuals; textbook fines
Clothing	Rental or purchase of "non-street" costumes for a play or special clothing for a concert not suitable for everyday wear; rental of prom dresses and tuxedos	Clothes which can be used for street wear, such as T-shirts for extracurricular events; clothing for a play or concert that is suitable for everyday wear; purchase of prom dresses and tuxedos
Driver's Education	Only if paid to the K-12 school	Paid to other than a K-12 school
Dues, Fees and Admissions	Annual school fees; fees or dues paid for extracurricular activities ; booster club dues (for dependent only); fees for athletics; activity ticket or admission for K-12 school athletic, academic, music, or dramatic events and awards banquets or buffets; fees for a physical education event such as roller skating; advanced placement fees if paid to high school; fees for homecoming, winter formal, prom, or similar events	Sports-related socials; special education programs like career conferences; special testing like SAT, PSAT, ACT and Iowa talent search tests; fees paid to K-12 schools for college credit or special programs at colleges and universities; advanced placement fees if paid to a college or a university
Materials for Extracurricular Activities	Materials for extracurricular activities, such as sporting events, speech activities, musical or dramatic events, awards banquets, homecoming, prom, and other school-related social events	Class rings
Music	Rental of musical instruments for school or band; music / instrument lessons at a school; sheet music used in a school; music books and materials used in school bands or orchestras for maintenance of instruments, including reeds, strings, picks, grease, and other consumables	Purchase of musical instruments (including rent-to-own contracts); music lessons outside of school; sheet music for private use
Religion	-----	Amounts paid are not allowed if they relate to teaching of religious tenets, doctrines, or worship
Shoes	Football, soccer, and golf shoes; other shoes with cleats or spikes not suitable for street wear for teams associated with the school	Basketball shoes and other shoes suitable for everyday wear
Supplies for Industrial Arts, Home Economics or Equivalent Classes	Cost of required basic materials for classes such as shop class, mechanics class, agricultural class, home economics class, or equivalent classes	Optional expenditures or materials used for personal projects of the dependents or for family benefit
Travel	Fees for transportation to and from school if paid to the school; fees for field trips if the trip is during school hours	Travel expenses for overnight trips which involve payment for meals and lodging
Uniforms	Band and athletic uniforms	-----

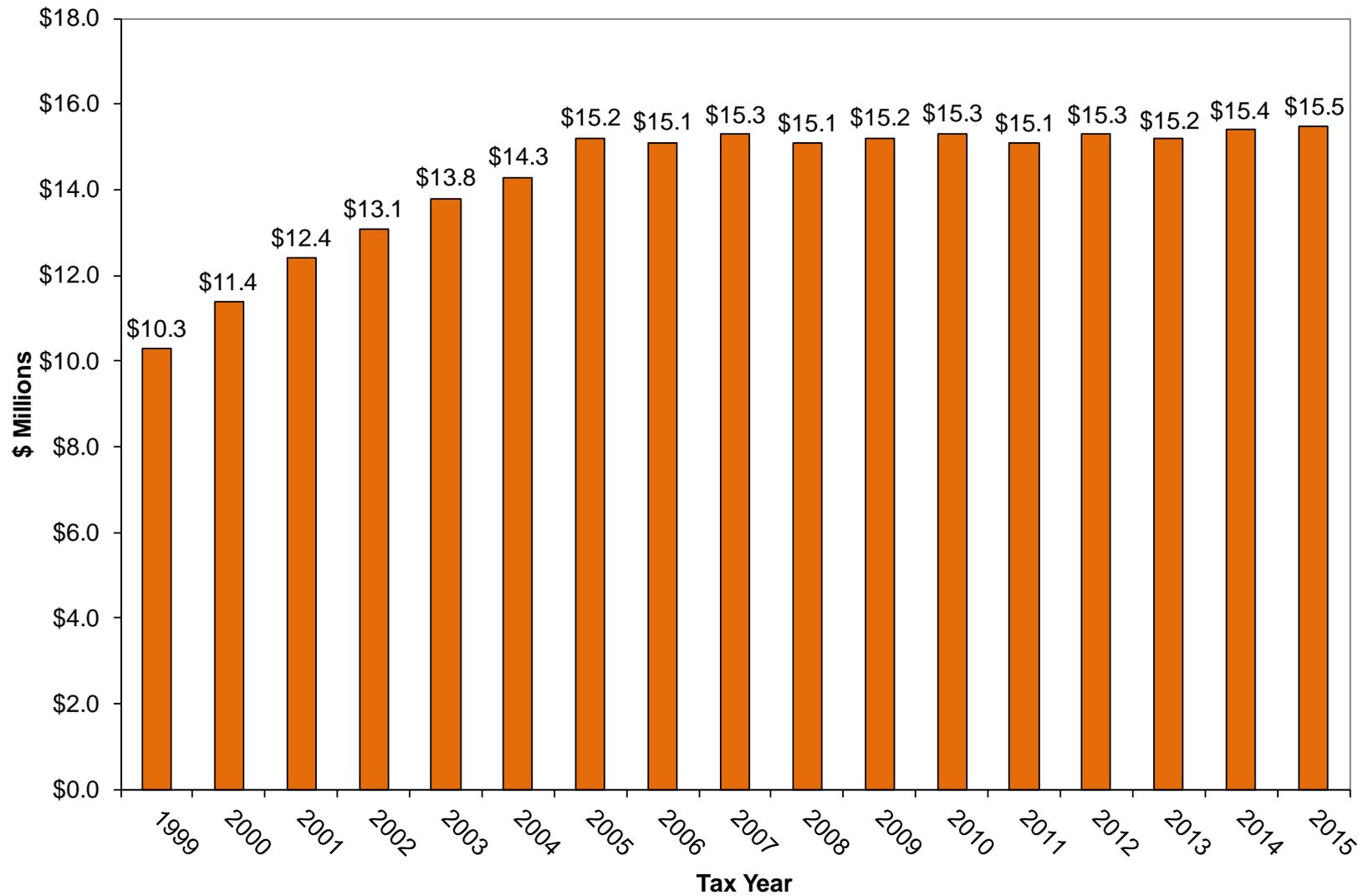
Sources: IDR individual income tax instructions and Iowa Administrative Rules Chapter 701.42.4.

Figure 1. Number of Households Claiming the Tuition and Textbook Tax Credit, Tax Years 1999 - 2015



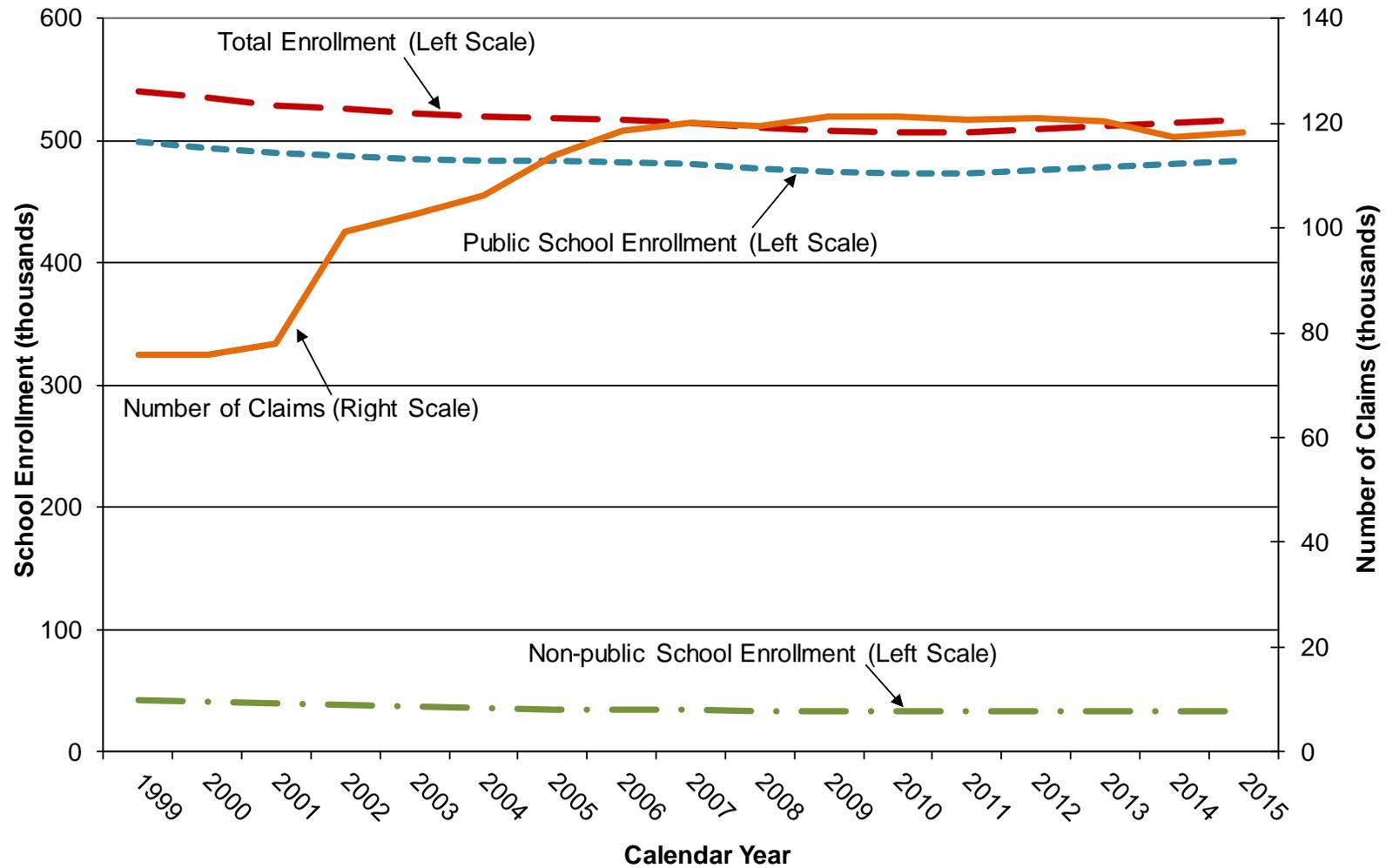
Source – IDR 1999 - 2015 individual income tax returns

Figure 2. Total Tuition and Textbook Tax Credit Claims, Tax Years 1999 – 2015



Source – IDR 1999 - 2015 individual income tax returns

Figure 3. School Enrollment and Number of Tuition and Textbook Tax Credit Claims



Source – IDR 1999 - 2015 individual income tax returns

Table 2. Age of Dependents Reported by Tuition and Textbook Tax Credit Claimants, Tax Year 2015

Age	Number of Dependents	Distribution of Dependents
5	10,075	4.03%
6	12,183	4.87%
7	13,124	5.25%
8	13,937	5.57%
9	14,322	5.73%
10	14,444	5.78%
11	15,005	6.00%
12	15,516	6.21%
13	15,335	6.13%
14	15,666	6.27%
15	16,393	6.56%
16	15,968	6.39%
17	15,768	6.31%
18	12,313	4.92%
19	7,674	3.07%
20	5,205	2.08%
21	3,580	1.43%
Subtotal	216,508	86.59%
Missing	3,575	1.43%
Subtotal	220,083	88.02%
0 to 4	24,759	9.90%
22 - 24	3,216	1.29%
25 and over	1,967	0.79%
Total	250,025	100%

Source: 2015 IDR and Internal Revenue Service individual income tax returns

Notes: The IRS captures birth dates for the first four dependents. In households with five or more dependents, the eligibility of the first four were verified against the IRS age data; all additional dependents were assumed to be qualified.

Dependents missing age data are assumed to be from ages 5 through 21.

The Tuition and Textbook Tax Credit was not necessarily claimed for all dependents reported by the taxpayer.

Table 3. Tuition and Textbook Tax Credit Claims by Qualifying Dependents, Tax Year 2015

Number of Qualifying Dependents	Number of Households	Number of Dependents	Distribution of Dependents	Amount of Claims	Distribution of Claims	Average Claim per Household	Average Claim per Dependent
1	42,001	42,001	19.08%	\$3,268,706	21.10%	\$78	\$78
2	46,592	93,184	42.34%	\$5,945,355	38.38%	\$128	\$64
3	19,310	57,930	26.32%	\$3,761,688	24.29%	\$195	\$65
4 or more	10,445	26,968	12.25%	\$2,513,568	16.23%	\$241	\$93
Total	118,348	220,083	100%	\$15,489,317	100%	\$131	\$70

Source: 2015 IDR and Internal Revenue Service individual tax returns

Table 4. Share of Households Claiming the Maximum Tuition and Textbook Tax Credit, Tax Years 2010 - 2015

Tax Year	Total Number of Households	Total Amount of Claims (millions)	Households Claiming Maximum Credit	Number of Dependents	Share of Households Claiming Max Credit	Amount of Maximum Claims (millions)
2010	121,400	\$15.3	8,686	15,546	7.2%	\$3.9
2011	120,654	\$15.1	8,916	15,952	7.4%	\$4.0
2012	121,071	\$15.3	9,346	16,698	7.7%	\$4.2
2013	120,252	\$15.2	9,269	16,647	7.7%	\$4.2
2014	117,284	\$15.4	9,411	16,759	8.0%	\$4.2
2015	118,348	\$15.5	9,694	17,237	8.2%	\$4.3

Source: IDR individual income tax returns

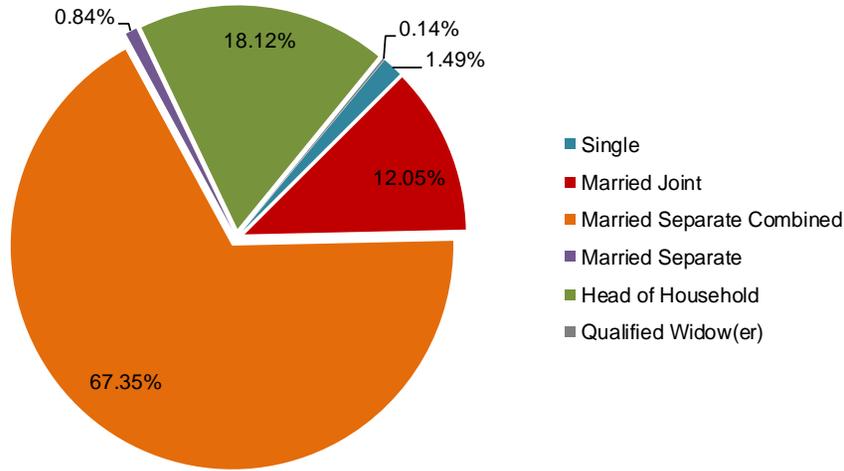
Table 5. Tuition and Textbook Tax Credit Claims by Resident Status, Tax Year 2015

State of Residence	Number of Households	Share of Households	Amount of Claims	Share of Claims
Iowa Residents	117,401	99.20%	\$15,319,998	98.91%
Nonresidents				
Illinois	92	0.08%	\$14,971	0.10%
Minnesota	81	0.07%	\$14,207	0.09%
Missouri	49	0.04%	\$5,810	0.04%
Nebraska	125	0.11%	\$26,432	0.17%
South Dakota	87	0.07%	\$24,332	0.16%
Wisconsin	44	0.04%	\$8,015	0.05%
Not Contiguous to Iowa	469	0.40%	\$75,552	0.49%
Nonresidents Total	947	0.80%	\$169,319	1.09%
Total	118,348	100%	\$15,489,317	100%

Source: IDR 2015 and Internal Revenue Service individual income tax returns

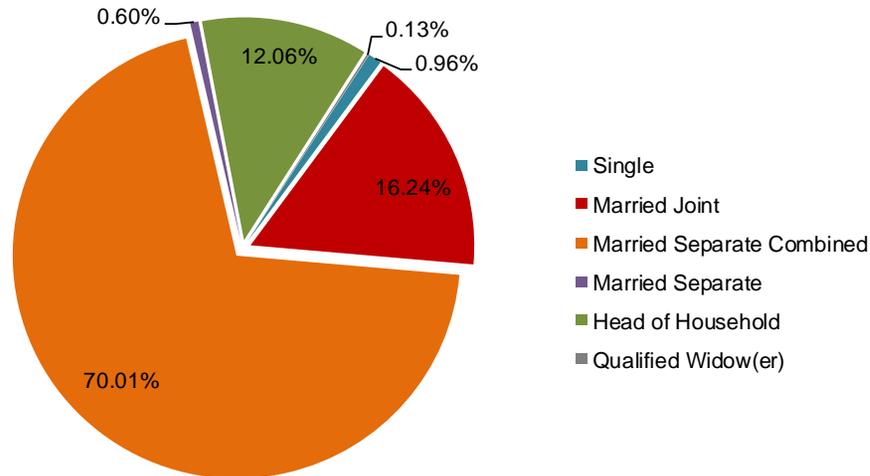
(1) There were 7 returns with an Iowa address that did not report a valid Iowa county number

Figure 4. Distribution of Number of Tuition and Textbook Tax Credit Claims by Filing Status, Tax Year 2015



Source – IDR 2015 individual income tax returns

Figure 5. Distribution of Amount of Tuition and Textbook Tax Credit Claims by Filing Status, Tax Year 2015



Source – IDR 2015 individual income tax returns

Table 6. Tuition and Textbook Tax Credit Claims by Taxpayer Age, Tax Year 2015

Taxpayer Age	Number of Households	Distribution of Households	Amount of Claims	Distribution of Claims	Average Claim
20 and below	26	0.02%	\$2,171	0.01%	\$84
21 - 25	717	0.61%	\$47,383	0.31%	\$66
26 - 30	4,821	4.07%	\$370,066	2.39%	\$77
31 - 35	16,054	13.57%	\$1,613,239	10.42%	\$100
36 - 40	26,160	22.10%	\$3,235,434	20.89%	\$124
41 - 45	28,231	23.85%	\$4,126,725	26.64%	\$146
46 - 50	23,317	19.70%	\$3,462,037	22.35%	\$148
51 - 55	12,818	10.83%	\$1,800,063	11.62%	\$140
56 - 60	4,461	3.77%	\$597,161	3.86%	\$134
61 - 65	1,150	0.97%	\$146,616	0.95%	\$127
66 and older	335	0.28%	\$40,694	0.26%	\$121
Missing	258	0.22%	\$47,728	0.31%	\$185
Total	118,348	100%	\$15,489,317	100%	\$131

Source: IDR and Internal Revenue Service individual income tax returns

Note: In married households, taxpayer age was based on the spouse indicated as the primary taxpayer

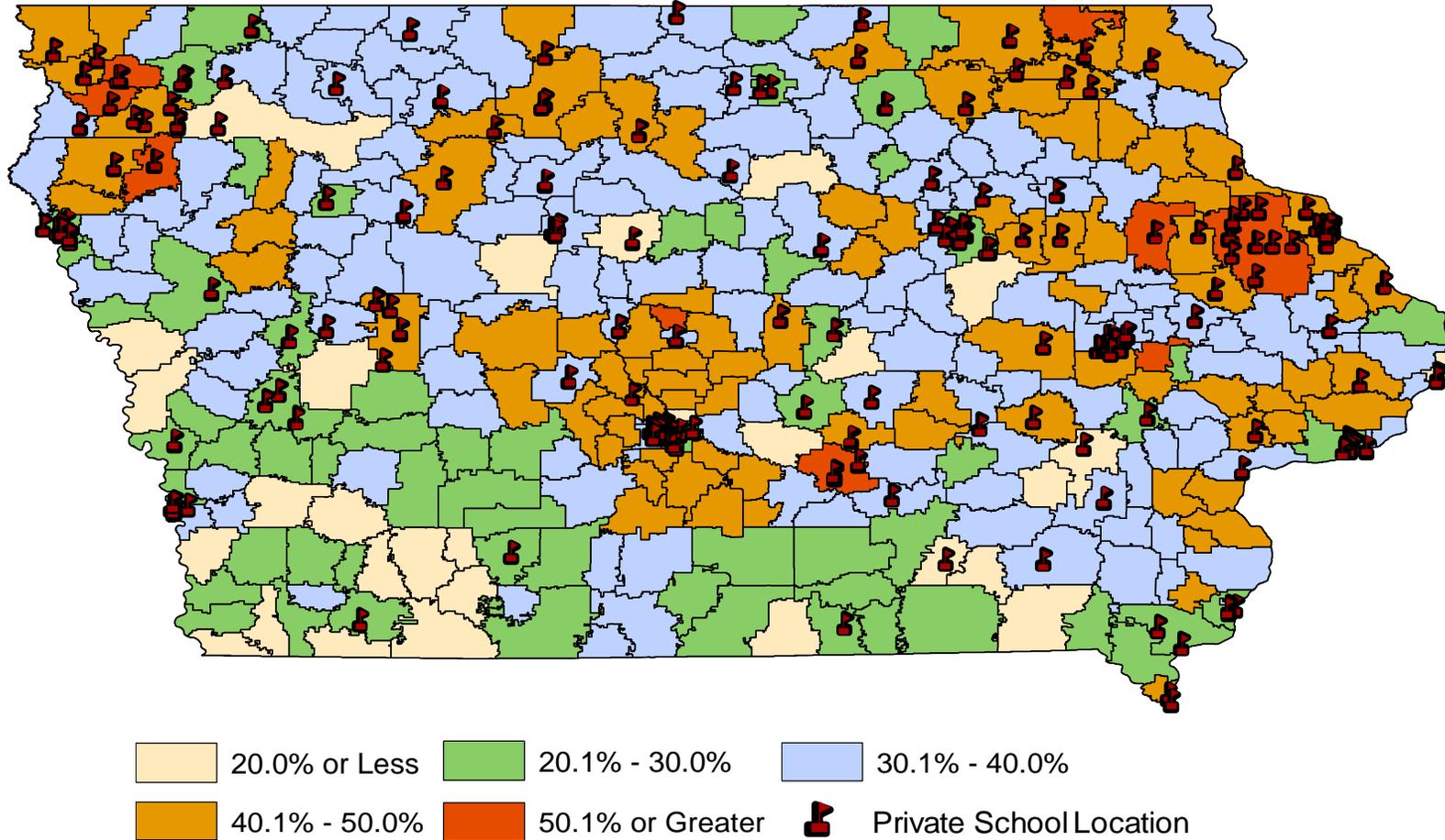
Table 7. Tuition and Textbook Tax Credit Claims by Adjusted Gross Income, Tax Year 2015

Income Range	Number of Households	Distribution of Households	Amount of Claims	Distribution of Claims	Average Claim	Eligible Expenses	Utilization Rate*
Less than \$20,000	1,057	0.89%	\$114,470	0.74%	\$108	\$457,880	1.9%
\$20,000 - \$29,999	5,374	4.54%	\$413,130	2.67%	\$77	\$1,652,520	14.4%
\$30,000 - \$39,999	9,490	8.02%	\$893,248	5.77%	\$94	\$3,572,992	27.4%
\$40,000 - \$49,999	9,506	8.03%	\$1,000,458	6.46%	\$105	\$4,001,832	33.0%
\$50,000 - \$59,999	9,958	8.41%	\$1,094,203	7.06%	\$110	\$4,376,812	39.4%
\$60,000 - \$69,999	10,358	8.75%	\$1,201,043	7.75%	\$116	\$4,804,172	43.5%
\$70,000 - \$79,999	10,285	8.69%	\$1,203,157	7.77%	\$117	\$4,812,628	46.6%
\$80,000 - \$89,999	9,703	8.20%	\$1,209,962	7.81%	\$125	\$4,839,848	48.1%
\$90,000 - \$99,999	9,103	7.69%	\$1,167,760	7.54%	\$128	\$4,671,040	49.5%
\$100,000 - \$124,999	17,411	14.71%	\$2,395,863	15.47%	\$138	\$9,583,452	50.2%
\$125,000 - \$149,999	9,856	8.33%	\$1,492,778	9.64%	\$151	\$5,971,112	50.1%
\$150,000 - \$174,999	5,398	4.56%	\$922,892	5.96%	\$171	\$3,691,568	48.6%
\$175,000 - \$199,999	3,089	2.61%	\$558,192	3.60%	\$181	\$2,232,768	46.6%
\$200,000 and over	7,760	6.56%	\$1,822,161	11.76%	\$235	\$7,288,644	42.5%
Total	118,348	100%	\$15,489,317	100%	\$131	\$61,957,268	33.8%

Source: IDR 2015 individual income tax returns

Note: Utilization Rate is the ratio of resident households claiming the credit compared to all resident households with dependents between ages 5 and 21.

Figure 6. Tuition and Textbook Tax Credit Utilization Rates by School District, Tax Year 2015



Sources: IDR 2015 individual income tax returns; Iowa State University Geographic Information Systems Support & Research Facility

Note: Utilization Rate is the ratio of resident households claiming the credit compared to all resident households with dependents between ages 5 and 21.

Table 8. Top Ten School Districts by Total Tuition and Textbook Tax Credit Claims, Tax Year 2015

School District	Number of Eligible Households		Tuition and Textbook Tax Credit Claims			
	Rank	Number	Number of Claims	Total Amount of Claims	Percent of All Dollars Claimed	Utilization Rate
1 DES MOINES	1	24,959	5,932	\$891,436	5.8%	23.8%
2 CEDAR RAPIDS	2	13,515	4,114	\$749,481	4.8%	30.4%
3 DAVENPORT	3	11,988	3,318	\$580,041	3.7%	27.7%
4 DUBUQUE	7	8,238	3,319	\$511,502	3.3%	40.3%
5 WEST DES MOINES	9	7,179	2,756	\$508,429	3.3%	38.4%
6 IOWA CITY	5	9,564	2,865	\$412,400	2.7%	30.0%
7 SIOUX CITY	4	10,251	2,479	\$411,400	2.7%	24.2%
8 WESTERN DUBUQUE	27	2,646	1,444	\$355,530	2.3%	54.6%
9 WAUKEE	11	5,438	2,384	\$346,545	2.2%	43.8%
10 WATERLOO	6	8,401	1,933	\$337,285	2.2%	23.0%

Source: IDR 2015 individual income tax returns

Notes: Eligible household is a resident household with a dependent aged 5 to 21. Utilization rate is the ratio of resident households claiming the credit compared to all resident households with dependents between ages 5 and 21.

Table 9. Top Ten School Districts by Total Tuition and Textbook Tax Credit Claims per Pupil, Tax Year 2015

School District	Total Enrollment(1)		Tuition and Textbook Tax Credit Claims			
	Rank	Number	Number of Households	Total Amount of Claims	Credit Per Pupil	Utilization Rate
1 BOYDEN-HULL	189	612	298	\$99,446	\$163	55.2%
2 ROCK VALLEY	148	740	337	\$119,452	\$161	48.4%
3 SIOUX CENTER	95	1,195	566	\$184,405	\$154	51.4%
4 REMSEN-UNION	271	375	176	\$48,895	\$130	52.1%
5 KEOKUK	46	1,912	1,764	\$233,028	\$122	43.9%
6 CARROLL	54	1,718	794	\$201,921	\$118	47.4%
7 WESTERN DUBUQUE	30	3,051	1,483	\$355,530	\$117	54.6%
8 KEOTA	291	322	172	\$29,244	\$91	12.8%
9 BELEVUE	206	561	248	\$45,954	\$82	47.5%
10 MOC-FLOYD VALLEY	71	1,419	536	\$115,268	\$81	44.9%

Source: IDR 2015 individual income tax returns

Notes: Enrollment includes public school students as well as students attending private schools located in the public school district. Utilization rate is the ratio of resident households claiming the credit compared to all resident households with dependents between ages 5 and 21.

Table 10. Top Ten School Districts by Average Tuition and Textbook Tax Credit Claim, Tax Year 2015

School District	Number of Eligible Households		Tuition and Textbook Tax Credit Claims			
	Rank	Number	Number of Households	Total Amount of Claims	Average Claim	Utilization Rate
1 ROCK VALLEY	109	337	337	\$119,452	\$354	48.4%
2 BOYDEN-HULL	136	298	298	\$99,446	\$334	55.2%
3 SIOUX CENTER	61	566	566	\$184,405	\$326	51.4%
4 SHELDON	97	189	189	\$54,676	\$289	23.8%
5 REMSEN-UNION	227	176	176	\$48,895	\$278	52.1%
6 CARROLL	38	794	794	\$201,921	\$254	47.4%
7 WESTERN DUBUQUE	27	1,483	1,483	\$355,530	\$240	54.6%
8 MOC-FLOYD VALLEY	54	536	536	\$115,268	\$215	44.9%
9 NORTH KOSSUTH	301	78	78	\$16,723	\$214	40.9%
10 WEST SIOUX	153	180	180	\$35,732	\$199	35.8%

Source: IDR 2015 individual income tax returns

Note: Utilization Rate is the ratio of resident households claiming the credit compared to all resident households with dependents between ages 5 and 21.

Table 11. Top Ten School Districts by Tuition and Textbook Tax Credit Utilization Rate, Tax Year 2015

School District	Number of Eligible Households		Tuition and Textbook Tax Credit Claims			
	Rank	Number	Number of Claims	Total Amount of Claims	Percent of All Dollars Claimed	Utilization Rate
1 PELLA	35	981	956	\$172,685	1.1%	56.3%
2 BOYDEN-HULL	136	298	294	\$99,446	0.6%	55.2%
3 NORTH WINNESHIEK	305	94	93	\$7,514	0.0%	54.7%
4 WESTERN DUBUQUE	27	1,483	1,444	\$355,530	2.3%	54.6%
5 WEST DELAWARE	64	574	555	\$80,085	0.5%	53.4%
6 REMSEN-UNION	227	176	173	\$48,895	0.3%	52.1%
7 SIOUX CENTER	61	566	551	\$184,405	1.2%	51.4%
8 GILBERT	100	390	378	\$46,266	0.3%	51.1%
9 MOUNT VERNON	110	355	343	\$39,313	0.3%	50.4%
10 WEST MARSHALL	133	272	266	\$31,478	0.2%	49.0%

Source: IDR 2015 individual income tax returns

Notes: Eligible household is a resident household with a dependent aged 5 to 21. Utilization Rate is the ratio of resident households claiming the credit compared to all resident households with dependents between ages 5 and 21.

Table 12. Number and Amount of Family Tax Credit Claims by Adjusted Gross Income, Tax Year 2015

Iowa Adjusted Gross Income	Tuition and Textbook Tax Credit					Earned Income Tax Credit				
	Number of Households	Distribution of Households	Amount of Claims	Distribution of Claims	Average Claim	Number of Households	Distribution of Households	Amount of Claims	Distribution of Claims	Average Claim
Less than \$20,000	1057	0.9%	\$114,470	0.7%	\$108	122,052	55.5%	\$37,431,799	52.0%	\$307
\$20,000 - \$29,999	5374	4.5%	\$413,130	2.7%	\$77	45,799	20.8%	\$22,399,912	31.1%	\$489
\$30,000 - \$39,999	9490	8.0%	\$893,248	5.8%	\$94	36,552	16.6%	\$9,874,346	13.7%	\$270
\$40,000 - \$49,999	9506	8.0%	\$1,000,458	6.5%	\$105	14,415	6.5%	\$2,158,922	3.0%	\$150
\$50,000 - \$59,999	9,958	8.4%	\$1,094,203	7.1%	\$110	1,292	0.6%	\$66,434	0.1%	\$51
\$60,000 - \$69,999	10,358	8.8%	\$1,201,043	7.8%	\$116					
\$70,000 - \$79,999	10,285	8.7%	\$1,203,157	7.8%	\$117					
\$80,000 - \$89,999	9,703	8.2%	\$1,209,962	7.8%	\$125					
\$90,000 - \$99,999	9,103	7.7%	\$1,167,760	7.5%	\$128					
\$100,000 - \$124,999	17,411	14.7%	\$2,395,863	15.5%	\$138					
\$125,000 - \$149,999	9,856	8.3%	\$1,492,778	9.6%	\$151					
\$150,000 - \$174,999	5,398	4.6%	\$922,892	6.0%	\$171					
\$175,000 - \$199,999	3,089	2.6%	\$558,192	3.6%	\$181					
\$200,000 and over	7,760	6.6%	\$1,822,161	11.8%	\$235					
Total	118,348	100%	\$15,489,317	100%	\$131	220,110	100%	\$71,931,413	100%	\$327

Iowa Adjusted Gross Income	Child and Dependent Care Tax Credit					Early Childhood Development Tax Credit				
	Number of Households	Distribution of Households	Amount of Claims	Distribution of Claims	Average Claim	Number of Households	Distribution of Households	Amount of Claims	Distribution of Claims	Average Claim
Less than \$20,000	4,962	24.0%	\$1,737,597	30.6%	\$350	1,629	38.0%	\$255,679	37.4%	\$157
\$20,000 - \$29,999	6,640	32.1%	\$1,967,237	34.6%	\$296	1,078	25.1%	\$176,704	25.8%	\$164
\$30,000 - \$39,999	6,324	30.5%	\$1,582,911	27.8%	\$250	1,061	24.7%	\$163,617	23.9%	\$154
\$40,000 - \$49,999	2,780	13.4%	\$398,549	7.0%	\$143	523	12.2%	\$87,919	12.9%	\$168
Total	20,706	100%	\$5,686,294	100%	\$275	4,291	100%	\$683,919	100%	\$159

Source: IDR 2015 individual income tax returns

Notes: Child and Dependent Care & Early Childhood Development Tax Credit eligibility limited to income below \$45,000

Earned Income Tax Credit eligibility limited to income below \$53,267 in tax year 2015

Tuition and Textbook Tax Credit eligibility has no income limit