

# N I C S T O

Northwest Iowa Christian Schools Tuition Organization • 204 Kentucky Ave NW • Orange City, IA 51041

## EDUCATIONAL OPPORTUNITIES ACT: THE BEST NEWS FOR CHRISTIAN SCHOOLS AND IOWA TAXPAYERS

The Educational Opportunities Act allows Iowa residents to receive a **65% direct tax credit** for contributions made to school tuition organizations throughout Iowa. Contributions are also eligible for Federal tax deductions.

### **What is a school tuition organization?**

School tuition organizations (STOs) receive charitable contributions from Iowa taxpayers and redirect them in the form of tuition grants to eligible students. Ten STOs have formed across Iowa to represent various accredited, nonpublic schools.

### **What is N I C S T O?**

N I C S T O or Northwest Iowa Christian Schools Tuition Organization represents sixteen (16) Christian schools throughout Northwest Iowa who benefit directly from donations to NICSTO.

### **Is there a difference between a tax credit and a tax deduction?**

A tax deduction simply reduces the total amount of income on which your tax is computed. On the other hand, a tax credit is taken directly off the amount you owe or paid in state taxes, making it MUCH better than a deduction. People that may have always wanted to support Christian education now have a very tax efficient opportunity to do so.

### **Is there a limit on how much one person can give, or how much an STO can receive?**

There are **no** individual gift limits. However, each STO has a cap on the total amount of tax credits it may issue. Each STO's cap is determined by Iowa Department of Revenue. In calendar year 2007, NICSTO can receive more than \$500,000 in gifts.

### **Who may receive tuition grants?**

The law restricts tuition grants to students living in households with income that does not exceed three times the federal poverty guideline. STOs may set additional eligibility requirements.

### **What does the Educational Opportunities Act mean to Northwest Iowa Christian Schools?**

It means that Christian education is more accessible to many more families. Through donations to NICSTO, many families who have children in Christian schools will receive some tuition help. For more information about NICSTO and how you can contribute and receive a tax credit, contact a representative of one of the following Christian schools who is a member of N I C S T O:

**Hull Christian School • Hull Protestant Christian School • Ireton Christian School  
Inwood Christian School • Kanawha Christian School • North Iowa Christian School  
Netherlands Reformed Christian School • Northwest Iowa Protestant Christian School  
Ocheyedan Christian School • Orange City Christian School  
Rock Valley Christian School • Sanborn Christian School • Sheldon Christian School  
Sioux Center Christian School • Unity Christian High School  
Western Christian High School**