

STATE OF IOWA

EV Purchase Income Tax Deduction

Short Description: Income tax deduction of zero to \$2,000 to be claimed by purchaser.

Beneficiary: Taxpayer in the state of Iowa who takes alternative fuel vehicle credit under the Internal Revenue Code Section 30B.

Type of Incentive: State Income Tax Deduction on personal tax return if entitled to a federal tax credit.

Effective Dates: Expires January 1, 2011

Value of Benefit: Deduction of zero to \$2,000 for the cost of a clean fuel motor vehicle. Taxpayers may claim the credit on line 24 of the Iowa Form 1040. In order to claim it for state purposes, taxpayers must have filed Federal Form 8910.

Full Description:

For tax years beginning on or after January 1, 2006, but before January 1, 2011, a taxpayer may deduct \$2,000 for the cost of a clean fuel motor vehicle if the taxpayer was eligible to claim for federal tax purposes the alternative motor vehicle credit under Section 30B of the Internal Revenue Code for the vehicle.

To qualify, the vehicles must be placed in service after December 31, 2005, but before January 1, 2011. A taxpayer must claim a credit on the taxpayer's federal income tax return on federal Form 8910 to claim the deduction on the Iowa return.

State Statutory references:

- Iowa Code 422.7.45
 - <http://coolice.legis.state.ia.us/Cool-ICE/default.asp?category=billinfo&service=IowaCode&ga=83>

Link(s):

- http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2009/CorpTax/GoingGreener.jsp
(Credit information)

422.7 "NET INCOME" -- HOW COMPUTED.

The term "*net income*" means the adjusted gross income before the net operating loss deduction as properly computed for federal income tax purposes under the Internal Revenue Code, with the following adjustments:

1. Subtract interest and dividends from federal securities.
2. Add interest and dividends from foreign securities and from securities of state and other political subdivisions exempt from federal income tax under the Internal Revenue Code.
3. Where the adjusted gross income includes capital gains or losses, or gains or losses from property other than capital assets, and such gains or losses have been determined by using a basis established prior to January 1, 1934, an adjustment may be made, under rules prescribed by the director, to reflect the difference resulting from the use of a basis of cost or January 1, 1934, fair market value, less depreciation allowed or allowable, whichever is higher. Provided that the basis shall be fair market value as of January 1, 1955, less depreciation allowed or allowable, in the case of property acquired prior to that date if use of a prior basis is declared to be invalid.
4. Subtract payments received by a beneficiary under an annuity which was purchased under an employee's pension or retirement plan when the commuted value of the installments has been included as a part of the decedent employee's estate for Iowa inheritance tax purposes.
5. Individual taxpayers and married taxpayers who file a joint federal income tax return and who elect to file a joint return, separate returns, or separate filing on a combined return for Iowa income tax purposes, may avail themselves of the disability income exclusion and shall compute the amount of the disability income exclusion subject to the limitations for joint federal income tax return filers provided by section 105(d) of the Internal Revenue Code. The disability income exclusion provided in section 105(d) of the Internal Revenue Code, as amended up to and including December 31, 1982, continues to apply for state income tax purposes for tax years beginning on or after January 1, 1984.
6. Reserved.
7. Married taxpayers who file a joint federal income tax return and who elect to file separate returns or separate filing on a combined return for Iowa income tax purposes, may avail themselves of the expensing of business assets and capital loss provisions of sections 179(a) and 1211(b) respectively of the Internal Revenue Code and shall compute the amount of expensing of business assets and capital loss subject to the limitations for joint federal income tax return filers provided by sections 179(b) and 1211(b) respectively of the Internal Revenue Code.
8. Subtract the amount of the work opportunity tax credit allowable for the tax year under section 51 of the Internal Revenue Code to the extent that the credit increased federal adjusted gross income.
9. Subtract the amount of the alcohol fuel credit allowable for the tax year under section 40 of the Internal Revenue Code to the extent that the credit increased federal adjusted gross income.
10. Notwithstanding the method for computing the amount of travel expenses that may be deducted under section 162(h) of the Internal Revenue Code, for tax years beginning on or after January 1, 1987, a member of the general assembly whose place of residence within the

legislative district is greater than fifty miles from the capitol building of the state may deduct the total amount per day determined under section 162(h)(1)(B) of the Internal Revenue Code and a member of the general assembly whose place of residence within the legislative district is fifty or fewer miles from the capitol building of the state may deduct fifty dollars per day. This subsection does not apply to a member of the general assembly who elects to itemize for state tax purposes the member's travel expenses.

11. Add the amounts deducted and subtract the amounts included as income as a result of the treatment provided sale-leaseback agreements under section 168(f)(8) of the Internal Revenue Code for property placed in service by the transferee prior to January 1, 1986, to the extent that the amounts deducted and the amounts included in income are not otherwise deductible or included in income under the Internal Revenue Code as amended to and including December 31, 1985. Entitlement to depreciation on any property included in a sale-leaseback agreement which is placed in service by the transferee prior to January 1, 1986, shall be determined under the Internal Revenue Code as amended to and including December 31, 1985, excluding section 168(f)(8) in making the determination.

12. a. If the adjusted gross income includes income or loss from a small business operated by the taxpayer, an additional deduction shall be allowed in computing the income or loss from the small business if the small business hired for employment in the state during its annual accounting period ending with or during the taxpayer's tax year any of the following:

(1) An individual with a disability domiciled in this state at the time of the hiring who meets any of the following conditions:

(a) Has a physical or mental impairment which substantially limits one or more major life activities.

(b) Has a record of that impairment.

(c) Is regarded as having that impairment.

(2) An individual domiciled in this state at the time of the hiring who meets any of the following conditions:

(a) Has been convicted of a felony in this or any other state or the District of Columbia.

(b) Is on parole pursuant to chapter 906.

(c) Is on probation pursuant to chapter 907, for an offense other than a simple misdemeanor.

(d) Is in a work release program pursuant to chapter 904, division IX.

(3) An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code 2001, applies, or to whom the interstate compact for adult offender supervision under chapter 907B applies.

b. (1) The amount of the additional deduction is equal to sixty-five percent of the wages paid to individuals, but shall not exceed twenty thousand dollars per individual, named in paragraph "a", subparagraphs (1), (2), and (3) who were hired for the first time by that business during the annual accounting period for work done in the state. This additional deduction is allowed for the wages paid to those individuals successfully completing a probationary period during the twelve months following the date of first employment by the business and shall be deducted at the close of the annual accounting period.

(2) The additional deduction shall not be allowed for wages paid to an individual who was hired to replace an individual whose employment was terminated within the twelve-month period preceding

the date of first employment. However, if the individual being replaced left employment voluntarily without good cause attributable to the employer or if the individual was discharged for misconduct in connection with the individual's employment as determined by the department of workforce development, the additional deduction shall be allowed.

(3) A taxpayer who is a partner of a partnership or a shareholder of a subchapter S corporation, may deduct that portion of wages qualified under this subsection paid by the partnership or subchapter S corporation based on the taxpayer's pro rata share of the profits or losses from the partnership or subchapter S corporation.

c. For purposes of this subsection:

(1) "*Physical or mental impairment*" means any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the body systems or any mental or psychological disorder, including mental retardation, organic brain syndrome, emotional or mental illness and specific learning disabilities.

(2) (a) "*Small business*" means a profit or nonprofit business, including but not limited to an individual, partnership, corporation, joint venture, association, or cooperative, to which the following apply:

(i) It is not an affiliate or subsidiary of a business dominant in its field of operation.

(ii) It has twenty or fewer full-time equivalent positions and not more than the equivalent of three million dollars in annual gross revenues as computed for the preceding fiscal year or as the average of the three preceding fiscal years.

(iii) It does not include the practice of a profession.

(b) "*Small business*" includes an employee-owned business which has been an employee-owned business for less than three years or which meets the conditions of subparagraph division (a), subparagraph subdivisions (i) through (iii).

(c) For purposes of this definition, "*dominant in its field of operation*" means having more than twenty full-time equivalent positions and more than three million dollars in annual gross revenues, and "*affiliate or subsidiary of a business dominant in its field of operation*" means a business which is at least twenty percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalents, of a business dominant in that field of operation.

12A. If the adjusted gross income includes income or loss from a business operated by the taxpayer, and if the business does not qualify for the adjustment under subsection 12, an additional deduction shall be allowed in computing the income or loss from the business if the business hired for employment in the state during its annual accounting period ending with or during the taxpayer's tax year either of the following:

a. An individual domiciled in this state at the time of the hiring who meets any of the following conditions:

(1) Has been convicted of a felony in this or any other state or the District of Columbia.

(2) Is on parole pursuant to chapter 906.

(3) Is on probation pursuant to chapter 907, for an offense other than a simple misdemeanor.

(4) Is in a work release program pursuant to chapter 904, division IX.

b. An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code

2001, applies, or to whom the interstate compact for adult offender supervision under chapter 907B applies.

The amount of the additional deduction is equal to sixty-five percent of the wages paid to individuals, but shall not exceed twenty thousand dollars per individual, named in paragraphs "a" and "b" who were hired for the first time by that business during the annual accounting period for work done in the state. This additional deduction is allowed for the wages paid to those individuals successfully completing a probationary period during the twelve months following the date of first employment by the business and shall be deducted at the close of the annual accounting period.

The additional deduction shall not be allowed for wages paid to an individual who was hired to replace an individual whose employment was terminated within the twelve-month period preceding the date of first employment. However, if the individual being replaced left employment voluntarily without good cause attributable to the employer or if the individual was discharged for misconduct in connection with the individual's employment as determined by the department of workforce development, the additional deduction shall be allowed.

A taxpayer who is a partner of a partnership or a shareholder of a subchapter S corporation, may deduct that portion of wages qualified under this subsection paid by the partnership or subchapter S corporation based on the taxpayer's pro rata share of the profits or losses from the partnership or subchapter S corporation.

The department shall develop and distribute information concerning the deduction available for businesses employing persons named in paragraphs "a" and "b".

13. a. Subtract, to the extent included, the amount of additional social security benefits taxable under the Internal Revenue Code for tax years beginning on or after January 1, 1994, but before January 1, 2014. The amount of social security benefits taxable as provided in section 86 of the Internal Revenue Code, as amended up to and including January 1, 1993, continues to apply for state income tax purposes for tax years beginning on or after January 1, 1994, but before January 1, 2014.

b. (1) For tax years beginning in the 2007 calendar year, subtract, to the extent included, thirty-two percent of taxable social security benefits remaining after the subtraction in paragraph "a".

(2) For tax years beginning in the 2008 calendar year, subtract, to the extent included, thirty-two percent of taxable social security benefits remaining after the subtraction in paragraph "a".

(3) For tax years beginning in the 2009 calendar year, subtract, to the extent included, forty-three percent of taxable social security benefits remaining after the subtraction in paragraph "a".

(4) For tax years beginning in the 2010 calendar year, subtract, to the extent included, fifty-five percent of taxable social security benefits remaining after the subtraction in paragraph "a".

(5) For tax years beginning in the 2011 calendar year, subtract, to the extent included, sixty-seven percent of taxable social security benefits remaining after the subtraction in paragraph "a".

(6) For tax years beginning in the 2012 calendar year, subtract, to the extent included, seventy-seven percent of taxable social security benefits remaining after the subtraction in paragraph "a".

(7) For tax years beginning in the 2013 calendar year, subtract, to the extent included, eighty-nine percent of taxable social

security benefits remaining after the subtraction in paragraph "a".

c. Married taxpayers, who file a joint federal income tax return and who elect to file separate returns or who elect separate filing on a combined return for state income tax purposes, shall allocate between the spouses the amount of benefits subtracted under paragraphs "a" and "b" from net income in the ratio of the social security benefits received by each spouse to the total of these benefits received by both spouses.

d. For tax years beginning on or after January 1, 2014, subtract, to the extent included, the amount of social security benefits taxable under section 86 of the Internal Revenue Code.

14. Add the amount of intangible drilling and development costs optionally deducted in the year paid or incurred as described in section 57(a)(2) of the Internal Revenue Code. This amount may be recovered through cost depletion or depreciation, as appropriate under rules prescribed by the director.

15. Add the percentage depletion amount determined with respect to an oil, gas, or geothermal well as described in section 57(a)(1) of the Internal Revenue Code.

16. Subtract the income resulting from the forfeiture of an installment real estate contract, the transfer of real or personal property securing a debt to a creditor in cancellation of that debt, or from the sale or exchange of property as a result of actual notice of foreclosure if all of the following conditions are met:

a. The forfeiture, transfer, or sale or exchange was done for the purpose of establishing a positive cash flow.

b. Immediately before the forfeiture, transfer, or sale or exchange, the taxpayer's debt to asset ratio exceeded ninety percent as computed under generally accepted accounting practices.

c. The taxpayer's net worth at the end of the tax year is less than seventy-five thousand dollars. In determining a taxpayer's net worth at the end of the tax year a taxpayer shall include any asset transferred within one hundred twenty days prior to the end of the tax year without adequate and full consideration in money or money's worth. In determining the taxpayer's debt to asset ratio, the taxpayer shall include any asset transferred within one hundred twenty days prior to such forfeiture, transfer, or sale or exchange without adequate and full consideration in money or money's worth. For purposes of this subsection, actual notice of foreclosure includes, but is not limited to, bankruptcy or written notice from a creditor of the creditor's intent to foreclose where there is a reasonable belief that the creditor can force a sale of the asset. For purposes of this subsection, in the case of married taxpayers, except in the case of a husband and wife who live apart at all times during the tax year, the assets and liabilities of both spouses shall be considered for purposes of determining the taxpayer's net worth or the taxpayer's debt to asset ratio.

17. Add interest and dividends from regulated investment companies exempt from federal income tax under the Internal Revenue Code and subtract the loss on the sale or exchange of a share of a regulated investment company held for six months or less to the extent the loss was disallowed under section 852(b)(4)(B) of the Internal Revenue Code.

18. Reserved.

19. Subtract interest earned on bonds and notes issued by the agricultural development authority as provided in section 175.17, subsection 10.

20. Subtract, to the extent included, the proceeds received pursuant to a judgment in or settlement of a lawsuit against the

manufacturer or distributor of a Vietnam herbicide for damages resulting from exposure to the herbicide. This subsection applies to proceeds received by a taxpayer who is a disabled veteran or who is a beneficiary of a disabled veteran.

For purposes of this subsection:

a. "*Vietnam herbicide*" means a herbicide, defoliant or other causative agent containing dioxin, including, but not limited to, Agent Orange, used in the Vietnam Conflict beginning December 22, 1961, and ending May 7, 1975, inclusive.

b. "*Agent Orange*" means the herbicide composed of trichlorophenoxyacetic acid and dichlorophenoxyacetic acid and the contaminant dioxin (TCDD).

21. Subtract the net capital gain from the following:

a. (1) Net capital gain from the sale of real property used in a business, in which the taxpayer materially participated for ten years, as defined in section 469(h) of the Internal Revenue Code, and which has been held for a minimum of ten years, or from the sale of a business, as defined in section 423.1, in which the taxpayer materially participated for ten years, as defined in section 469(h) of the Internal Revenue Code, and which has been held for a minimum of ten years. The sale of a business means the sale of all or substantially all of the tangible personal property or service of the business.

However, where the business is sold to individuals who are all lineal descendants of the taxpayer, the taxpayer does not have to have materially participated in the business in order for the net capital gain from the sale to be excluded from taxation.

However, in lieu of the net capital gain deduction in this paragraph and paragraphs "b", "c", and "d", where the business is sold to individuals who are all lineal descendants of the taxpayer, the amount of capital gain from each capital asset may be subtracted in determining net income.

(2) For purposes of this paragraph, "*lineal descendant*" means children of the taxpayer, including legally adopted children and biological children, stepchildren, grandchildren, great-grandchildren, and any other lineal descendants of the taxpayer.

b. Net capital gain from the sale of cattle or horses held by the taxpayer for breeding, draft, dairy, or sporting purposes for a period of twenty-four months or more from the date of acquisition; but only if the taxpayer received more than one-half of the taxpayer's gross income from farming or ranching operations during the tax year.

c. Net capital gain from the sale of breeding livestock, other than cattle or horses, if the livestock is held by the taxpayer for a period of twelve months or more from the date of acquisition; but only if the taxpayer received more than one-half of the taxpayer's gross income from farming or ranching operations during the tax year.

d. Net capital gain from the sale of timber as defined in section 631(a) of the Internal Revenue Code.

However, to the extent otherwise allowed, the deduction provided in this subsection is not allowed for purposes of computation of a net operating loss in section 422.9, subsection 3, and in computing the income for the taxable year or years for which a net operating loss is deducted.

For purposes of this subsection, the term "*held*" shall be determined with reference to the holding period provisions of section

1223 of the Internal Revenue Code and the federal regulations adopted pursuant thereto.

22. Subtract, to the extent included, the amounts paid to an eligible individual under section 105 of the Civil Liberties Act of 1988, Pub. L. No. 100-383, Tit. I, as satisfaction for a claim against the United States arising out of the confinement, holding in custody, relocation, or other deprivation of liberty or property of an individual of Japanese ancestry.

23. Subtract, to the extent included, the amount of federal Segal AmeriCorps education award payments.

24. Subtract, to the extent included, active duty pay received by a person in the national guard or armed forces military reserve for services performed on or after August 2, 1990, pursuant to military orders related to the Persian Gulf Conflict.

25. Subtract, to the extent included, active duty pay received by a person in the national guard or armed forces military reserve for service performed on or after November 21, 1995, pursuant to military orders related to peacekeeping in Bosnia-Herzegovina.

26. Add depreciation taken for federal income tax purposes on a speculative shell building defined in section 427.1, subsection 27, which is owned by a for-profit entity and the for-profit entity is receiving the proper tax exemption. Subtract depreciation computed as if the speculative shell building were classified as fifteen-year property under the accelerated cost recovery system of the Internal Revenue Code during the period during which it is owned by the for-profit entity and is receiving the property tax exemption. However, this subsection does not apply to a speculative shell building which is used by the for-profit entity, subsidiary of the for-profit entity, or majority owners of the for-profit entity, for other than as a speculative shell building, as defined in section 427.1, subsection 27.

27. Subtract, to the extent included, payments received by an individual providing unskilled in-home health-related care services pursuant to section 249.3, subsection 2, paragraph "a", subparagraph (2), to a member of the individual caregiver's family. For purposes of this subsection, a member of the individual caregiver's family includes a spouse, parent, stepparent, child, stepchild, brother, stepbrother, sister, stepsister, lineal ancestor, or lineal descendant, and such persons by marriage or adoption. A health care professional licensed by an examination board designated in section 147.13, subsections 1 through 10, is not eligible for the exemption authorized in this subsection.

28. If the taxpayer is owner of an individual development account certified under chapter 541A at any time during the tax year, deductions of all of the following shall be allowed:

a. Contributions made to the account by persons and entities, other than the taxpayer, as authorized in chapter 541A.

b. The amount of any state match payments authorized under section 541A.3, subsection 1.

c. Earnings from the account.

29. Subtract, to the extent not otherwise deducted in computing adjusted gross income, the amounts paid by the taxpayer for the purchase of health benefits coverage or insurance for the taxpayer or taxpayer's spouse or dependent.

29A. If the health benefits coverage or insurance of the taxpayer includes coverage of a nonqualified tax dependent as determined by the federal internal revenue service, subtract, to the extent included, the amount of the value of such coverage attributable to the nonqualified tax dependent.

30. Subtract the amount of the employer social security credit

allowable for the tax year under section 45B of the Internal Revenue Code to the extent that the credit increases federal adjusted gross income.

31. For a person who is disabled, or is fifty-five years of age or older, or is the surviving spouse of an individual or a survivor having an insurable interest in an individual who would have qualified for the exemption under this subsection for the tax year, subtract, to the extent included, the total amount of a governmental or other pension or retirement pay, including, but not limited to, defined benefit or defined contribution plans, annuities, individual retirement accounts, plans maintained or contributed to by an employer, or maintained or contributed to by a self-employed person as an employer, and deferred compensation plans or any earnings attributable to the deferred compensation plans, up to a maximum of six thousand dollars for a person, other than a husband or wife, who files a separate state income tax return and up to a maximum of twelve thousand dollars for a husband and wife who file a joint state income tax return. However, a surviving spouse who is not disabled or fifty-five years of age or older can only exclude the amount of pension or retirement pay received as a result of the death of the other spouse. A husband and wife filing separate state income tax returns or separately on a combined state return are allowed a combined maximum exclusion under this subsection of up to twelve thousand dollars. The twelve thousand dollar exclusion shall be allocated to the husband or wife in the proportion that each spouse's respective pension and retirement pay received bears to total combined pension and retirement pay received.

32. a. Subtract the maximum contribution that may be deducted for Iowa income tax purposes as a participant in the Iowa educational savings plan trust pursuant to section 12D.3, subsection 1, paragraph "a".

b. Add the amount resulting from the cancellation of a participation agreement refunded to the taxpayer as a participant in the Iowa educational savings plan trust to the extent previously deducted as a contribution to the trust.

c. Add the amount resulting from a withdrawal made by a taxpayer from the Iowa educational savings plan trust for purposes other than the payment of qualified education expenses to the extent previously deducted as a contribution to the trust.

33. Subtract, to the extent included, income from interest and earnings received from the Iowa educational savings plan trust created in chapter 12D.

34. Reserved.

35. Subtract, to the extent included, the following:

a. Payments made to the taxpayer because of the taxpayer's status as a victim of persecution for racial, ethnic, or religious reasons by Nazi Germany or any other Axis regime or as an heir of such victim.

b. Items of income attributable to, derived from, or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial, ethnic, or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial, ethnic, or religious reasons by Nazi Germany or any other Axis regime by European insurance companies immediately prior to and during World War II. However, income from assets acquired with such assets or with the proceeds from the sale of such assets shall not be subtracted. This paragraph shall only apply to a taxpayer who was the first recipient

of such assets after recovery of the assets and who is a victim of persecution for racial, ethnic, or religious reasons by Nazi Germany or any other Axis regime or is an heir of such victim.

36. Add, to the extent not already included, income from the sale of obligations of the state and its political subdivisions. Income from the sale of these obligations is exempt from the taxes imposed by this division only if the law authorizing these obligations specifically exempts the income from the sale from the state individual income tax.

37. Notwithstanding the method for computing income from an installment sale under section 453 of the Internal Revenue Code, as defined in section 422.3, the method to be used in computing income from an installment sale shall be the method under section 453 of the Internal Revenue Code, as amended up to and including January 1, 2000. A taxpayer affected by this subsection shall make adjustments in the adjusted gross income pursuant to rules adopted by the director.

The adjustment to net income provided in this subsection is repealed for tax years beginning on or after January 1, 2002. However, to the extent that a taxpayer using the accrual method of accounting reported the entire capital gain from the sale or exchange of property on the Iowa return for the tax year beginning in the 2001 calendar year and the capital gain was reported on the installment method on the federal income tax return, any additional installment from the capital gain reported for federal income tax purposes is not to be included in net income in tax years beginning on or after January 1, 2002.

38. Subtract, to the extent not otherwise excluded, the amount of withdrawals from qualified retirement plan accounts made during the tax year if the taxpayer or taxpayer's spouse is a member of the Iowa national guard or reserve forces of the United States who is ordered to state military service or federal service or duty. In addition, a penalty for such withdrawals shall not be assessed by the state.

39. a. The additional first-year depreciation allowance authorized in section 168(k) of the Internal Revenue Code, as enacted by Pub. L. No. 107-147, § 101, does not apply in computing net income for state tax purposes. If the taxpayer has taken such deduction in computing federal adjusted gross income, the following adjustments shall be made:

(1) Add the total amount of depreciation taken on all property for which the election under section 168(k) of the Internal Revenue Code was made for the tax year.

(2) Subtract an amount equal to depreciation allowed on such property for the tax year using the modified accelerated cost recovery system depreciation method applicable under section 168 of the Internal Revenue Code without regard to section 168(k).

(3) Any other adjustments to gains or losses to reflect the adjustments made in subparagraphs (1) and (2) pursuant to rules adopted by the director.

b. A taxpayer may elect to apply the additional first-year depreciation allowance authorized in section 168(k)(4) of the Internal Revenue Code, as enacted by Pub. L. No. 108-27, in computing net income for state tax purposes, for qualified property acquired after May 5, 2003, and before January 1, 2005. If the taxpayer elects to take the additional first-year depreciation allowance authorized in section 168(k)(4) of the Internal Revenue Code for state tax purposes, the deduction may be taken on amended state tax returns, if necessary. If the taxpayer does not elect to take the additional first-year depreciation allowance authorized in section 168(k)(4) of the Internal Revenue Code for state tax purposes, the

following adjustment shall be made:

(1) Add the total amount of depreciation taken on all property for which the election under section 168(k)(4) of the Internal Revenue Code was made for the tax year.

(2) Subtract an amount equal to depreciation allowed on such property for the tax year using the modified accelerated cost recovery system depreciation method applicable under section 168 of the Internal Revenue Code without regard to section 168(k)(4).

(3) Any other adjustments to gains or losses to reflect the adjustments made in subparagraphs (1) and (2) pursuant to rules adopted by the director.

40. Subtract, to the extent included, active duty pay received by a person in the national guard or armed forces military reserve for service performed on or after January 1, 2003, pursuant to military orders related to Operation Iraqi Freedom, Operation Noble Eagle, and Operation Enduring Freedom.

41. Reserved.

42. Subtract, to the extent included, military student loan repayments received by the taxpayer serving on active duty in the national guard or armed forces military reserve or on active duty status in the armed forces.

43. A taxpayer may elect not to take the increased expensing allowance under section 179 of the Internal Revenue Code, as amended by Pub. L. No. 108-27, § 202, in computing adjusted gross income for state tax purposes. If the taxpayer does not take the increased expensing allowance under section 179 of the Internal Revenue Code for state tax purposes, the following adjustments shall be made:

a. Add the total amount of expense deduction taken on section 179 property for federal tax purposes under section 179 of the Internal Revenue Code.

b. Subtract the amount of expense deduction on section 179 property allowable for federal tax purposes under section 179 of the Internal Revenue Code prior to enactment of Pub. L. No. 108-27, § 202.

c. Any other adjustments to gains and losses to the adjustments made in paragraphs "a" and "b" pursuant to rules adopted by the director.

44. a. If the taxpayer, while living, donates one or more of the taxpayer's human organs to another human being for immediate human organ transplantation during the tax year, subtract, to the extent not otherwise excluded, the following unreimbursed expenses incurred by the taxpayer and related to the taxpayer's organ donation:

- (1) Travel expenses.
- (2) Lodging expenses.
- (3) Lost wages.

b. The maximum amount that may be deducted under paragraph "a" is ten thousand dollars. A taxpayer shall only take the deduction under this subsection once. If a deduction is taken under this subsection, the amount of expenses shall not be considered medical care expenses under section 213 of the Internal Revenue Code for state tax purposes.

c. For purposes of this subsection, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow.

45. Subtract, to the extent not otherwise deducted, the amount of two thousand dollars for the cost of a clean fuel motor vehicle if the taxpayer was eligible for the alternative motor vehicle credit under section 30B of the Internal Revenue Code for such motor vehicle.

46. Subtract, to the extent included, the amount of any grant provided pursuant to the injured veterans grant program pursuant to section 35A.14.

47. Subtract, to the extent not otherwise deducted in computing adjusted gross income, the amounts paid by the taxpayer to the department of veterans affairs for the purpose of providing grants under the injured veterans grant program established in section 35A.14. Amounts subtracted under this subsection shall not be used by the taxpayer in computing the amount of charitable contributions as defined by section 170 of the Internal Revenue Code.

48. Subtract, to the extent included, income from interest and earnings received from the bonds issued under section 12.91.

49. Subtract, to the extent included, the amount of ordinary or capital gain realized by the taxpayer as a result of the involuntary conversion of property due to eminent domain. However, if the total amount of such realized ordinary or capital gain is not recognized because the converted property is replaced with property that is similar to, or related in use to, the converted property, the amount of such realized ordinary or capital gain shall not be subtracted under this subsection until the remaining realized ordinary or capital gain is subject to federal taxation or until the time of disposition of the replacement property as provided under rules of the director. The subtraction allowed under this subsection shall not alter the basis as established for federal tax purposes of any property owned by the taxpayer.

50. Subtract, to the extent included, the amount of victim compensation awards paid under the victim compensation program, victim restitution payments received pursuant to chapter 910 or 915, and any damages awarded by a court, and received by the taxpayer, in a civil action filed by the victim against the offender, during the tax year.

51. Subtract, to the extent included, the amount of any Vietnam Conflict veterans bonus provided pursuant to section 35A.8, subsection 5, and section 35A.8A.

52. Subtract, to the extent included, an amount equal to any income received from the sale, rental, or furnishing of tangible personal property or services directly related to the production of a project registered under section 15.393 which meets the criteria of a qualified expenditure under section 15.393, subsection 2, paragraph "a", subparagraph (2).

53. A taxpayer is allowed to take the increased expensing allowance under section 179 of the Internal Revenue Code, as amended by Pub. L. No. 110-185, in computing adjusted gross income for state tax purposes.

Section History: Early Form

[C35, § 6943-f7; C39, § **6943.039**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 422.7; 81 Acts, ch 132, § 4--6, 9--11; 82 Acts, ch 1023, § 3--8, 25, 30, 31, ch 1203, § 2]

Section History: Recent Form

83 Acts, ch 174, § 1, 3; 83 Acts, ch 179, § 5, 6, 21, 24; 84 Acts, ch 1305, § 29, 30; 85 Acts, ch 230, § 4; 86 Acts, ch 1232, § 2; 86 Acts, ch 1236, § 5; 86 Acts, ch 1238, § 18; 86 Acts, ch 1241, § 14; 86 Acts, ch 1243, § 33; 87 Acts, 1st Ex, ch 1, §3; 87 Acts, 2nd Ex, ch 1, §4--6; 88 Acts, ch 1028, §13--15; 89 Acts, ch 175, § 2; 89 Acts, ch 225, § 18, 19; 89 Acts, ch 228, § 6, 7, 11; 89 Acts, ch 249,

§ 2; 89 Acts, ch 251, § 13; 89 Acts, ch 268, § 4; 89 Acts, ch 285, § 3; 90 Acts, ch 1171, §2; 90 Acts, ch 1195, § 1; 90 Acts, ch 1251, § 52; 90 Acts, ch 1271, § 1901, 1903; 91 Acts, ch 196, §2; 91 Acts, ch 210, § 1; 92 Acts, ch 1225, § 1, 5; 92 Acts, ch 1247, § 30, 31, 39; 93 Acts, ch 97, §14, 20; 94 Acts, ch 1165, §12, 46; 94 Acts, ch 1166, §2, 3, 12; 94 Acts, ch 1183, §77--79, 97; 95 Acts, ch 5, §1, 14; 95 Acts, ch 152, §3, 7; 95 Acts, ch 206, §1, 4; 96 Acts, ch 1106, § 7; 96 Acts, ch 1129, § 113; 96 Acts, ch 1186, § 23; 97 Acts, ch 133, §1; 97 Acts, ch 135, §4, 9; 98 Acts, ch 1100, §57; 98 Acts, ch 1172, §12, 14; 98 Acts, ch 1174, §5, 6; 98 Acts, ch 1177, §1--6; 2000 Acts, ch 1103, §2, 3; 2000 Acts, ch 1163, §5, 6; 2000 Acts, ch 1194, §8, 21; 2001 Acts, ch 15, §1, 2; 2001 Acts, ch 116, §6, 28; 2001 Acts, ch 127, §4, 5, 9, 10; 2001 Acts, 2nd Ex, ch 6, §21, 22, 25, 26, 37; 2002 Acts, ch 1069, §4, 11, 14; 2002 Acts, ch 1150, §4; 2002 Acts, ch 1151, §5, 36; 2003 Acts, ch 139, §5, 11, 12; 2003 Acts, ch 142, §5, 6, 11; 2003 Acts, 1st Ex, ch 2, §184, 205; 2004 Acts, ch 1086, §66; 2004 Acts, 1st Ex, ch 1001, §38, 41, 42; 2005 Acts, ch 2, §1, 2, 6; 2005 Acts, ch 19, §53; 2005 Acts, ch 24, §4, 10, 11; 2005 Acts, ch 127, §1, 2; 2006 Acts, ch 1013, §1, 2; 2006 Acts, ch 1106, §2, 4; 2006 Acts, ch 1112, §4, 5; 2006 Acts, ch 1140, §4, 10, 11; 2006 Acts, ch 1158, §12; 2006 Acts, ch 1179, §71; 2006 Acts, 1st Ex, ch 1001, §41, 49; 2007 Acts, ch 27, §2, 11; 2007 Acts, ch 54, §35; 2007 Acts, ch 162, §4, 13; 2007 Acts, ch 176, §2, 4; 2007 Acts, ch 186, §8; 2008 Acts, ch 1011, § 4, 9; 2008 Acts, ch 1131, § 2--4; 2008 Acts, ch 1178, § 8, 17; 2009 Acts, ch 118, §6, 12; 2009 Acts, ch 133, §136--139; 2009 Acts, ch 161, §3, 4

Referred to in § 12D.9, 217.39, 422.4, 422.5, 422.8, 422.9, 422.16, 425.17, 450.4, 541A.2, 541A.3

Footnotes

2005 amendments to subsection 39, paragraph b, are effective February 24, 2005, and apply retroactively to tax years ending after May 5, 2003; requirements pertaining to amended returns and depreciation adjustments; 2005 Acts, ch 2, §5, 6

2005 amendments striking former subsections 41 and 43 are effective April 13, 2005, and apply retroactively to January 1, 2003, for tax years beginning on or after that date; 2005 Acts, ch 24, §10, 11

2005 amendment adding NEW subsection 43 is effective February 24, 2005, and applies retroactively to tax years beginning on or after January 1, 2003; requirements pertaining to amended returns and depreciation adjustments; 2005 Acts, ch 2, §5, 6

2005 amendment adding NEW subsection 44 applies retroactively to January 1, 2005, for tax years beginning on or after that date; 2005 Acts, ch 127, §2

2006 amendment to subsection 13 takes effect January 1, 2007, for tax years beginning on or after that date; 2006 Acts, ch 1112, §5

2006 amendment adding the last unnumbered paragraph of subsection 21 takes effect March 29, 2006, and applies retroactively to sales made on or after January 1, 2006, to determining the holding period for sales made on or after January 1, 2006, and to tax years beginning on or after January 1, 2006; 2006 Acts, ch 1013, §2

Subsection 45 takes effect May 30, 2006, and applies retroactively to tax years beginning on or after January 1, 2005; 2006 Acts, ch 1140, §10, 11

Subsections 46 and 47 take effect May 8, 2006, and apply retroactively to tax years beginning on and after January 1, 2006; 2006 Acts, ch 1106, §4

Subsection 49 applies retroactively to January 1, 2006, for tax years beginning on or after that date; 2006 Acts, 1st Ex, ch 1001, §49

Subsection 50 applies retroactively to tax years beginning on or after January 1, 2007; 2007 Acts, ch 27, §11

Subsection 51 applies retroactively to tax years beginning on or after January 1, 2007; 2007 Acts, ch 176, §4

Subsection 52 takes effect May 17, 2007, and applies retroactively to tax years beginning on or after January 1, 2007; 2007 Acts, ch 162, §13

2008 amendment to subsection 28, paragraph b, takes effect April 29, 2008, and applies retroactively to January 1, 2008, for the tax year beginning on that date; 2008 Acts, ch 1178, § 17

2008 amendment to subsection 51 takes effect May 5, 2008, and applies retroactively to January 1, 2008, for tax years beginning on or after that date; 2008 Acts, ch 1131, § 4

Subsection 53 takes effect March 11, 2008, and applies retroactively to January 1, 2008, for tax years beginning on or after that date; 2008 Acts, ch 1011, § 9

Subsection 23 takes effect January 1, 2010, and applies on or after that date; 2009 Acts, ch 161, §4

Subsection 29A applies retroactively to January 1, 2009, for tax years beginning on or after that date; 2009 Acts, ch 118, §12

Previous Section [422.6](#) Next Section [422.8](#)



Checkpoint Contents

State & Local Tax Library

State & Local Taxes

States

Iowa

Regulations

Iowa Admin. Code

Agency 701 REVENUE AND FINANCE DEPARTMENT

Title V INDIVIDUAL

Chapter 40 Determination Of Net Income

Iowa Admin. Code 701--40.67 (422) Deduction for alternative motor vehicles.

State & Local Regulations

701--40.67. (422) Deduction for alternative motor vehicles.

For tax years beginning on or after January 1, 2006, but beginning before January 1, 2011, a taxpayer may subtract \$2,000 for the cost of a clean fuel motor vehicle if the taxpayer was eligible to claim for federal tax purposes the alternative motor vehicle credit under Section 30B of the Internal Revenue Code for this motor vehicle.

The vehicles eligible for this deduction include new qualified fuel cell motor vehicles, new advanced lean burn technology motor vehicles, new qualified hybrid motor vehicles and new qualified alternative fuel vehicles. These vehicles must be placed in service after December 31, 2005, but before January 1, 2011, to qualify for the deduction. A taxpayer must claim a credit on the taxpayer's federal income tax return on federal Form 8910 to claim the deduction on the Iowa return.

This rule is intended to implement Iowa Code section 422.7 as amended by 2006 Iowa Acts, House File 2461.

(Adopted eff. 12-27-06.)

END OF DOCUMENT -

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Part I Tentative Credit

Use a separate column for each vehicle. If you need more columns, use additional Forms 8910 and include the totals on lines 13 and 17.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3
1 Year, make, and model of vehicle	1		
2 Enter date vehicle was placed in service (MM/DD/YYYY)	2 / /	/ /	/ /
3 Credit allowable (see instructions for amount to enter)	3		
4 If you are not claiming the plug-in conversion credit, skip lines 4 through 8, enter -0- on line 9, and go to line 10. Otherwise, enter the cost of converting the vehicle to a qualified plug-in electric drive motor vehicle (for converted vehicles placed in service after February 17, 2009)	4		
5 Section 179 expense deduction (see instructions)	5		
6 Subtract line 5 from line 4	6		
7 Multiply line 6 by 10% (.10)	7		
8 Maximum plug-in conversion credit amount allowable	8 4,000 00	4,000 00	4,000 00
9 Enter the smaller of line 7 or line 8	9		
10 Tentative credit. Add lines 3 and 9	10		

Next: If you did NOT use your vehicle for business or investment purposes and did not have a credit from a partnership or S corporation, skip Part II and go to Part III. All others, go to Part II.

Part II Credit for Business/Investment Use Part of Vehicle

11 Business/investment use percentage (see instructions)	11	%	%	%
12 Multiply line 10 by line 11	12			
13 Add columns (a) through (c) on line 12	13			
14 Alternative motor vehicle credit from partnerships and S corporations	14			
15 Business/investment use part of credit. Add lines 13 and 14. Partnerships and S corporations, report this amount on Schedule K; all others, report this amount on Form 3800, line 1r	15			

Part III Credit for Personal Use Part of Vehicle

16 If you skipped Part II, enter the amount from line 10. If you completed Part II, subtract line 12 from line 10	16			
17 Add columns (a) through (c) on line 16	17			
18 Enter the amount from Form 1040, line 46, or Form 1040NR, line 43	18			
19 Enter the total, if any, of your credits from Form 1040, lines 47 through 50; Form 5695, line 11; Form 8834, line 22; and Schedule R, line 24; or Form 1040NR, lines 44 through 46; Form 5695, line 11; and Form 8834, line 22	19			
20 Subtract line 19 from line 18. If zero or less, stop. You cannot claim the personal use part of the credit	20			
21 Personal use part of credit. Enter the smaller of line 17 or line 20 here and on Form 1040, line 53 (or Form 1040NR, line 49) and check box c on that line. If line 20 is smaller than line 17, see instructions	21			

IA 1040 Iowa Individual Income Tax Long Form 2009

or fiscal year beginning ___/___/2009 and ending ___/___/___

STEP 1: Fill in all spaces. You MUST fill in your Social Security Number.

Your last name _____ Your first name/middle initial _____

Spouse's last name _____ Spouse's first name/middle initial _____

Current mailing address (number and street, apartment, lot, or suite number) or PO Box _____

City, State, ZIP _____

Fill in all information below.

Check this box if you or your spouse were 65 or older as of 12/31/09.

Your Social Security Number - - -	Spouse Social Security Number - - -
Are your name, your spouse's name, if applicable, and your address the same as on last year's return? <input type="checkbox"/> YES <input type="checkbox"/> NO	Residence on 12/31/09 County No. ● School District No. ●

STEP 2 Filing Status: Mark one box only.

1	Single: Were you claimed as a dependent on another person's Iowa return? <input type="checkbox"/> YES <input type="checkbox"/> NO ▲
2	Married filing a joint return. (Two-income families may benefit by using status 3 or 4)
3	Married filing separately on this combined return. Spouse use column B.
4	Married filing separate returns. Spouse's name: _____ SSN: _____ ▲ Income: \$ _____
5	Head of household with qualifying person. If qualifying person is not claimed as a dependent on this return, enter the person's name and Social Security Number below.
6	Qualifying widow(er) with dependent child. Name: _____ SSN: _____

Dependent children for whom an exemption is claimed in Step 3
How many have health care coverage? _____ ●
(including Medicaid or hawk-)
How many do not have health care coverage? _____ ●

STEP 3 Exemptions

YOU
(and spouse if filing jointly)

a. Personal Credit: Enter 1 (Enter 2 if filing joint or head of household)▲ X \$ 40 = \$ _____
b. Enter 1 for each person who is 65 or older and/or 1 for each person who is blind▲ X \$ 20 = \$ _____
c. Dependents: Enter 1 for each dependent▲ X \$ 40 = \$ _____
d. Enter first names of dependents here: _____ e. TOTAL \$ _____

SPOUSE
(if filing status 3)

a. Personal Credit: Enter 1▲ X \$ 40 = \$ _____
b. Enter 1 if 65 or older and/or 1 if blind▲ X \$ 20 = \$ _____
c. Dependents: Enter 1 for each dependent▲ X \$ 40 = \$ _____
d. Enter first names of dependents here: _____ e. TOTAL \$ _____

STEP 4

Figure your gross income

	B. Spouse/Status 3	A. You or Joint	B. Spouse/Status 3	A. You or Joint
1. Wages, salaries, tips, etc.	1. _____ .00	_____ .00		
2. Taxable interest income. If more than \$1,500, complete Sch. B	2. _____ .00	_____ .00		
3. Ordinary dividend income. If more than \$1,500, complete Sch. B	3. _____ .00	_____ .00		
4. Alimony received	4. _____ .00	_____ .00		
5. Business income/(loss) from federal Schedule C or C-EZ	5. _____ .00	_____ .00		
6. Capital gain/(loss) from federal Sch. D if required for federal purposes .	6. _____ .00	_____ .00		
7. Other gains/(losses) from federal form 4797	7. _____ .00	_____ .00		
8. Taxable IRA distributions	8. _____ .00	_____ .00		
9. Taxable pensions and annuities	9. _____ .00	_____ .00		
10. Rents, royalties, partnerships, estates, etc.	10. _____ .00	_____ .00		
11. Farm income/(loss) from federal Schedule F	11. _____ .00	_____ .00		
12. Unemployment compensation. See instructions.	12. _____ .00	_____ .00		
13. Taxable Social Security benefits	13. _____ .00 ▲	_____ .00		
14. Other income, gambling income, bonus depreciation/section 179 adjustment ...	14. _____ .00	_____ .00		
15. GROSS INCOME. ADD lines 1-14	15. _____ .00 ▲	_____ .00		

STEP 5

Figure your adjustments to income

16. Payments to an IRA, Keogh, or SEP	16. _____ .00	_____ .00		
17. One-half of self-employment tax	17. _____ .00	_____ .00		
18. Health insurance deduction	18. _____ .00	_____ .00		
19. Penalty on early withdrawal of savings	19. _____ .00	_____ .00		
20. Alimony paid	20. _____ .00	_____ .00		
21. Pension/retirement income exclusion	21. _____ .00 ▲	_____ .00		
22. Moving expense deduction from federal form 3903	22. _____ .00	_____ .00		
23. Iowa capital gain deduction.	23. _____ .00 ▲	_____ .00		
24. Other adjustments	24. _____ .00	_____ .00		
25. Total adjustments. ADD lines 16-24	25. _____ .00 ▲	_____ .00		
26. NET INCOME. SUBTRACT line 25 from line 15	26. _____ .00 ▲	_____ .00		

STEP 6

Figure your federal tax addition and deduction

27. Federal income tax refund / overpayment received in 2009	27. _____ .00 ▲	_____ .00		
28. Self-employment/household employment taxes	28. _____ .00 ▲	_____ .00		
29. Addition for federal taxes. ADD lines 27 and 28	29. _____ .00	_____ .00		
30. Total. ADD lines 26 and 29	30. _____ .00	_____ .00		
31. Federal tax withheld	31. _____ .00 ▲	_____ .00		
32. Federal estimated tax payments made in 2009	32. _____ .00 ▲	_____ .00		
33. Additional federal tax paid in 2009 for 2008 and prior years	33. _____ .00 ▲	_____ .00		
34. Deduction for federal taxes. ADD lines 31, 32, and 33	34. _____ .00	_____ .00		
35. BALANCE. SUBTRACT line 34 from line 30. Enter here and on line 36, side 2	35. _____ .00	_____ .00		

Staple W-2s, payment, and voucher here.

B. Spouse/Status 3 A. You or Joint B. Spouse/Status 3 A. You or Joint

STEP 7 36. BALANCE. From side 1, line 35. 36. _____ .00 _____ .00

37. Total itemized deductions from federal Schedule A 37. _____ .00 _____ .00
 Taxpayers with bonus depreciation/section 179 must use Iowa Schedule A

38. Iowa income tax if included in line 5 of federal Schedule A 38. _____ .00 _____ .00

39. BALANCE. Subtract line 38 from line 37 or enter the 39. _____ .00 _____ .00
 amount of itemized deductions from the Iowa Schedule A

40. Other deductions. 40. _____ .00 _____ .00

41. Deduction. Check one box. Itemized. Add lines 39 and 40. Standard. 41. _____ .00 ▲ _____ .00

42. **TAXABLE INCOME.** SUBTRACT line 41 from line 36. 42. _____ .00 _____ .00

Complete lines 37-40 ONLY if you itemize.

STEP 8 43. Tax from tables or alternate tax 43. _____ .00 ▲ _____ .00

44. Iowa lump-sum tax. 25% of federal tax from form 4972. 44. _____ .00 ▲ _____ .00

45. Iowa minimum tax. Attach IA 6251. 45. _____ .00 ▲ _____ .00

46. Total tax. ADD lines 43, 44, and 45. 46. _____ .00 _____ .00

47. Total exemption credit amount(s) from Step 3, side 1 47. _____ .00 _____ .00

48. Tuition and textbook credit for dependents K-12. 48. _____ .00 ▲ _____ .00

49. Total credits. ADD lines 47 and 48. 49. _____ .00 _____ .00

50. BALANCE. SUBTRACT line 49 from line 46. If less than zero, enter zero. 50. _____ .00 ▲ _____ .00

51. Credit for nonresident or part-year resident. Attach IA 126 and federal return. 51. _____ .00 ▲ _____ .00

52. BALANCE. SUBTRACT line 51 from 50. If less than or equal to zero, enter zero. 52. _____ .00 _____ .00

53. Other nonrefundable Iowa credits. Attach IA 148 Tax Credits Schedule. 53. _____ .00 ▲ _____ .00

54. BALANCE. SUBTRACT line 53 from line 52. 54. _____ .00 _____ .00

55. School district surtax/EMS surtax. Take percentage from table; multiply by line 54. 55. _____ .00 ▲ _____ .00

56. Total Tax. ADD lines 54 and 55. 56. _____ .00 ▲ _____ .00

57. Total tax before contributions. ADD columns A & B on line 56 and enter here. 57. _____ .00

58. Contributions. Contributions will reduce your refund or add to the amount you owe. Amounts must be in whole dollars.
 Fish/Wildlife 58a: ▲ _____ StateFair 58b: ▲ _____ Firefighters/Veterans 58c: ▲ _____ Child Abuse Prevention 58d: ▲ _____ Enter total. 58. _____ .00

59. **TOTAL TAX AND CONTRIBUTIONS.** ADD lines 57 and 58. 59. _____ .00

STEP 9 61. Estimated and voucher payments made for tax year 2009 61. _____ .00 ▲ _____ .00

62. Out-of-state tax credit. Attach IA 130. 62. _____ .00 ▲ _____ .00

63. Motor fuel tax credit. Attach IA 4136. 63. _____ .00 ▲ _____ .00

64. Check One: Child and dependent care credit OR
 Early childhood development credit 64. _____ .00 ▲ _____ .00

65. Iowa earned income credit: **7.0% (.07) of federal credit** 65. _____ .00 ▲ _____ .00

66. Other refundable credits. Attach IA 148 Tax Credits Schedule. 66. _____ .00 ▲ _____ .00

67. TOTAL. ADD lines 60 - 66. 67. _____ .00 _____ .00

68. **TOTAL CREDITS.** ADD columns A and B on line 67 and enter here. 68. _____ .00

STEP 10 69. If line 68 is more than line 59, SUBTRACT line 59 from line 68. This is the amount you overpaid. 69. ▲ _____ .00

70. Amount of line 69 to be **REFUNDED** REFUND 70. ▲ _____ .00
Mail return to Iowa Income Tax - Refund Processing, Hoover State Office Bldg, Des Moines IA 50319-0120

71. Amount of line 69 to be **applied to your 2010 estimated tax** 71. _____ .00 ▲ _____ .00

72. If line 68 is less than line 59, SUBTRACT line 68 from line 59. This is the AMOUNT OF TAX YOU OWE. 72. ▲ _____ .00

73. Penalty for underpayment of estimated tax. From IA 2210 or IA 2210F. Check if annualized income method is used 73. ▲ _____ .00

74. Penalty and interest. 74a. Penalty. _____ .00 ▲ 74b. Interest _____ .00 ▲ ADD Enter total 74. _____ .00

75. **TOTAL AMOUNT DUE.** ADD lines 72, 73, and 74, and enter here. PAY THIS AMOUNT 75. ▲ _____ .00
Electronically pay by credit card or direct debit. Go to www.state.ia.us/tax/
To pay by mail: Iowa Income Tax - Document Processing, PO Box 9187, Des Moines IA 50306-9187. Make check payable to Treasurer, State of Iowa.

STEP 11 POLITICAL CHECKOFF. This checkoff does not increase the amount of tax you owe or decrease your refund.

SPOUSE		▲	YOURSELF	
\$1.50 to Democratic Party	<input type="checkbox"/>		\$1.50 to Democratic Party	<input type="checkbox"/>
\$1.50 to Republican Party	<input type="checkbox"/>		\$1.50 to Republican Party	<input type="checkbox"/>
\$1.50 to Campaign Fund	<input type="checkbox"/>		\$1.50 to Campaign Fund	<input type="checkbox"/>

STEP 12 NEXT YEAR,
 Would you like to receive a booklet? This option is not available to electronic filers.

0. Yes
 1. No

Mailing Addresses:
 See lines 70 and 75 above.

STEP 13 PLEASE SIGN HERE

I (We), the undersigned, declare under penalty of perjury that I (we) have examined this return, including all accompanying schedules and statements, and, to the best of my (our) knowledge and belief, it is a true, correct, and complete return. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Your Signature _____	Date _____	Preparer's Signature _____	Date _____
Spouse's Signature _____	Date _____	Address _____	
Daytime Telephone Number _____		Daytime Telephone Number _____	Identification Number _____