

# 2011 IA 1040C Composite Individual Income Tax Return

## Partnerships, Subchapter S Corporations, Trusts, and Limited Liability Companies for filing on behalf of Nonresident Partners, Shareholders, Beneficiaries, or Members

For Calendar Year 2011

or fiscal year beginning \_\_\_\_/\_\_\_\_, 2011, and ending \_\_\_\_/\_\_\_\_, 20\_\_\_\_

PLEASE NOTE: A copy of federal Schedule K-1 for ALL Iowa nonresidents must be attached to this return, regardless of whether or not they are reporting income or remitting tax with this form.

MAIL TO:  
COMPOSITE RETURN PROCESSING  
DEPARTMENT OF REVENUE  
PO BOX 10469  
DES MOINES IA 50306-0469

<b>STEP 1</b>	Complete Company Name	FEIN
<b>Name and Address</b>	Current Mailing Address (number, street, apartment number, suite)	Check Only One  This return is for: <input type="checkbox"/> Partners <input type="checkbox"/> Shareholders <input type="checkbox"/> Beneficiaries <input type="checkbox"/> Members
	Post Office Box	
	City, State, and ZIP Code	
	Name of Contact Person <span style="float:right">Daytime Telephone Number</span>	

**STEP 2 Exemption Credits** Enter the number of individuals whose Iowa-source income exceeds the minimum amount required to be included in this return. See instructions. .... ▲ \_\_\_\_ X \$40 = \_\_\_\_

**STEP 3 Composite Income** 1. Enter the total Iowa-source income of all individuals whose Iowa-source income exceeds the minimum amount required to be included in this return. .... 1. ▲ \_\_\_\_ .00

**STEP 4 Deductions**

2. Deduction in lieu of federal tax deduction. See instructions. .... 2. ▲ \_\_\_\_ .00

3. Standard deduction. See instructions. .... 3. ▲ \_\_\_\_ .00

4. Total deductions. ADD lines 2 and 3. .... 4. \_\_\_\_ .00

5. Composite taxable income. SUBTRACT line 4 from line 1. .... 5. \_\_\_\_ .00

**STEP 5 Tax**

6. Computed tax. Apply line 5 to rate schedule on back. .... 6. ▲ \_\_\_\_ .00

7. Minimum tax. See instructions. .... 7. ▲ \_\_\_\_ .00

8. Total tax. ADD lines 6 and 7. .... 8. \_\_\_\_ .00

**STEP 6 Credits**

9. Personal exemption credits - Nonrefundable. See Step 2 above.....9. \_\_\_\_ .00

10. Other nonrefundable credits. Attach IA 148 Tax Credits Schedule..... 10. ▲ \_\_\_\_ .00

11. Total nonrefundable credits. ADD lines 9 and 10. .... 11. \_\_\_\_ .00

12. Balance. SUBTRACT line 11 from line 8. If less than zero, enter zero..... 12. ▲ \_\_\_\_ .00

13. Estimated payments for 2011 and/or prior-year credit carryover..... 13. ▲ \_\_\_\_ .00

14. Other refundable credits. Attach IA 148 Tax Credits Schedule. .... 14. ▲ \_\_\_\_ .00

15. Total credits. ADD lines 13 and 14. .... 15. \_\_\_\_ .00

**STEP 7 Figure Your Refund or the Amount You Owe**

16. If line 15 is more than line 12, SUBTRACT line 12 from line 15. This is the amount you OVERPAID. ... 16. ▲ \_\_\_\_ .00

17. Amount of line 16 to be REFUNDED to you ..... 17. ▲ \_\_\_\_ .00

18. Amount of line 16 to be applied to your 2012 estimated tax ..... 18. ▲ \_\_\_\_ .00

19. If line 15 is less than line 12, SUBTRACT line 15 from line 12. This is the AMOUNT OF TAX YOU OWE. .... 19. ▲ \_\_\_\_ .00

20. Penalty. See instructions. .... 20. ▲ \_\_\_\_ .00

21. Interest. See instructions. .... 21. ▲ \_\_\_\_ .00

22. TOTAL AMOUNT DUE. ADD lines 19, 20, and 21, and enter here. .... 22. ▲ \_\_\_\_ .00

**Make check payable to TREASURER, STATE OF IOWA**

**SIGN AND DATE YOUR RETURN**

**FOR A CALENDAR YEAR FILER, THIS RETURN IS DUE BY April 30, 2012**

I (We), the undersigned, declare under penalty of perjury that I (we) have examined this return and attachments, 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.

Signature of Officer: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Daytime Telephone Number: \_\_\_\_\_

Preparer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Preparer's ID No.: \_\_\_\_\_  
 Firm Name: \_\_\_\_\_  
 Preparer's Address: \_\_\_\_\_



# Instructions for Composite Iowa Individual Income Tax Return

## Election of Composite Filing

Composite returns for the 2011 calendar year must be filed by April 30, 2012. An automatic 6-month extension for filing is available **only** if 90% of the tax due is paid by the original due date. The Department must be notified in writing before a taxpayer chooses to discontinue filing composite returns.

## Filing Requirements

Nonresident partners, shareholders, members, or beneficiaries cannot be included in a composite return if the nonresident does not have more income from Iowa sources than the amount of one standard deduction for a single taxpayer plus an amount of income necessary to create a tax liability at the effective tax rate on the composite return sufficient to offset one personal exemption. See line 6 for minimum filing requirements.

In addition, the above individuals should not be included if they have incomes from Iowa sources other than from the partnership or other entity; these individuals are required to file Iowa individual income tax returns.

## Line Instructions

- Each nonresident partner's, shareholder's, or member's Iowa K-1 will show that partner's, shareholder's, or member's income and nonresident modifications that are apportioned to Iowa. The apportioned amount of each item of Iowa K-1 income that is a part of federal adjusted gross income and the apportioned modifications of all nonresident partners, all nonresident shareholders, and/or all members included in this composite return are to be totaled and entered on this line. Nonresidents with other Iowa-source incomes are not to be included on the IA 1040C.

Beneficiaries of a trust do not have an Iowa K-1, only a federal K-1. Consequently, when nonresident beneficiaries are included in the filing of a composite return with Iowa, they must total all income and/or capital gain from real property or tangible personal property located in Iowa and any other business income attributable to Iowa and enter on this line.

- A deduction is allowed in lieu of the deduction for federal tax paid and is based upon the following schedule:

Amount shown on line 1	Deduction
0 - \$49,999 =	No deduction
\$50,000 - \$99,999 =	5% of line 1
\$100,000 - \$199,999 =	10% of line 1
Over \$200,000 =	15% of line 1

- For 2011 the standard deduction allowed is \$1,830.00.

Minimum	TAX RATE SCHEDULE					Of Excess Over
	Over	But Not Over		Tax Rate		
Income	\$0	\$1,439	\$0.00	+	(0.36% x	\$0)
Filing Requirement	\$1,439	\$2,878	\$5.18	+	(0.72% x	\$1,439)
\$2,719	\$2,878	\$5,756	\$15.54	+	(2.43% x	\$2,878)
\$2,484	\$5,756	\$12,951	\$85.48	+	(4.50% x	\$5,756)
\$2,447	\$12,951	\$21,585	\$409.26	+	(6.12% x	\$12,951)
\$2,418	\$21,585	\$28,780	\$937.66	+	(6.48% x	\$21,585)
\$2,335	\$28,780	\$43,170	\$1,403.90	+	(6.80% x	\$28,780)
\$2,275	\$43,170	\$64,755	\$2,382.42	+	(7.92% x	\$43,170)
	\$64,755	over	\$4,091.95	+	(8.98% x	\$64,755)

- Use the tax rate schedule above to figure your tax on composite Iowa taxable income. Also listed are the minimum requirements for each tax rate.
- Partners, shareholders, or members reporting income on the composite return may also be subject to Iowa minimum tax. The Iowa alternative minimum tax is imposed on most of the same tax preference and adjustment items treated as exclusions as for federal alternative minimum tax purposes. Please see form IA 6251 to determine if any Iowa minimum tax is due, and attach completed form if necessary.
- Personal exemption credits for 2011 for each partner, shareholder or member is \$40.
- Enter the total of the nonrefundable credits from the IA 148 Tax Credits Schedule. The IA 148 Tax Credits Schedule must be attached.
- Enter the total amount of 2011 estimated tax payments and any of the prior year's refund applied to your estimated payments for 2011.  
Although estimated payments are not required, 2012 estimated payments may be made on form IA 1040ES using the partnership's, limited liability company's, S corporation's, or trust's identification number.
- Enter the total of the refundable credits from the IA 148 Tax Credits Schedule. The IA 148 Tax Credits Schedule must be attached.
- If you do not mail your return by the due date and at least 90% of the correct tax is not paid, you owe an additional 10% of the tax due. If you file your return on time but do not pay at least 90% of the correct tax due, you owe an additional 5% of the tax due.
- Interest is added at a rate of 0.4% per month beginning on the due date of the return and accrues each month until payment is made.

## Preparer's ID Number

Enter preparer's SSN, FEIN, or PTIN.