

**Iowa Alternative Simplified Research Activities Credit**

Name(s)	SSN
Pass-through entity (if applicable). Attach a list if multiple pass-through entities.	Pass-through FEIN

**Part I - Background Information - Enter Information from Federal Form 6765**

1. Certain amounts paid or incurred to energy consortia ..... 1. \_\_\_\_\_
2. Basic research payments paid or incurred to qualified organizations ..... 2. \_\_\_\_\_
3. Qualified organizations base amount ..... 3. \_\_\_\_\_
4. Wages for services used in qualified research ..... 4. \_\_\_\_\_
5. Cost of supplies used in conducting qualified research ..... 5. \_\_\_\_\_
6. Rental or lease costs of computers used in conducting qualified research ..... 6. \_\_\_\_\_
7. Applicable portion of contract expenses ..... 7. \_\_\_\_\_
8. Enter average U.S. annual gross receipts for tax years 2009 through 2012 ..... 8. \_\_\_\_\_

**Part II - Calculation of Credit**

9. Certain amounts paid or incurred to energy consortia in Iowa ..... 9. \_\_\_\_\_
10. Basic research payments paid or incurred to qualified organizations in Iowa ..... 10. \_\_\_\_\_
11. Iowa apportioned qualified organizations base amount ..... 11. \_\_\_\_\_
12. Subtract line 11 from line 10. If zero or less, enter zero. .... 12. \_\_\_\_\_
13. Add lines 9 and 12 . .... 13. \_\_\_\_\_
14. Multiply line 13 by 20% (0.20) ..... 14. \_\_\_\_\_
15. Wages for qualified research services performed in Iowa ..... 15. \_\_\_\_\_
16. Cost of supplies used in conducting qualified research in Iowa ..... 16. \_\_\_\_\_
17. Rental or lease costs of computers used in conducting qualified research in Iowa ..... 17. \_\_\_\_\_
18. Applicable portion of contract expenses for qualified research performed in Iowa ..... 18. \_\_\_\_\_
19. Total Iowa qualified research expenses. Add lines 15 through 18 ..... 19. \_\_\_\_\_
20. Enter total qualified research expenses in Iowa for the prior three years. If you had no qualified research expenses in Iowa during all of those years, enter zero and skip lines 21 and 22 ..... 20. \_\_\_\_\_
21. Divide line 20 by 6.0 ..... 21. \_\_\_\_\_
22. Subtract line 21 from line 19. If zero or less, enter zero. .... 22. \_\_\_\_\_
23. Multiply line 22 by 4.55% (0.0455) ..... 23. \_\_\_\_\_  
If you skipped lines 21 and 22, multiply line 19 by 1.95% (0.0195)
24. Iowa Alternative Simplified Research Activities Credit. Add lines 14 and 23.  
Enter on Part II of the IA 148 ..... 24. \_\_\_\_\_
25. Supplemental Alternative Simplified Research Activities Credit. See instructions.  
Enter on Part II of the IA 148 and include your certificate number. .... 25. \_\_\_\_\_
26. Pass-through Alternative Simplified Research Activities Credit received from partnership, LLC, S corporation, estate, or trust. Enter on Part II and IV of the IA 148 ..... 26. \_\_\_\_\_
27. Pass-through Supplemental Alternative Simplified Research Activities Credit received from partnership, LLC, S corporation, estate, or trust. Enter on Part II and IV of the IA 148. .. 27. \_\_\_\_\_



## 2013 IA 128S Instructions

Form IA 128S is used *only* if the taxpayer elects to use the Alternative Simplified Research Activities Credit. The alternative credit is available for tax years beginning on or after January 1, 2010. Form IA 128 should be used if the regular research activities credit is claimed. The taxpayer may elect to use this alternative method regardless of the method used in computing the federal research credit. This option is for Iowa purposes and is effective only for the current tax year. The taxpayer is not required to use this alternative method in computing the research activities credit for subsequent years.

### Innovative Renewable Energy Generation

Effective July 1, 2009, research activities under the High Quality Jobs Program or under the Enterprise Zone Program include the development and deployment costs of innovative renewable energy generation components manufactured or assembled in Iowa. This cannot include components with more than 200 megawatts of installed effective nameplate capacity. These costs are not eligible for the federal research credit. A separate form IA 128S must be completed to account for these costs, which can be included on line 15 of the separate form IA 128S. The amount of the additional credit relating to these costs is not eligible for the Supplemental Alternative Simplified Research Activities Credit.

**Example:** An eligible business with gross receipts of less than \$20 million computes an Iowa Alternative Simplified Research Activities Credit of \$50,000 excluding any costs relating to innovative renewable energy generation components. When the costs relating to innovative renewable energy generation components are included on line 15, the Iowa credit is \$75,000. The business is allowed a supplemental credit of \$76,923 under the original claim, which would result in an Iowa credit of \$126,923. This can be added to the additional credit relating to the innovative renewable energy generation components of \$25,000, resulting in a total Iowa Alternative Simplified Research Activities Credit of \$151,923.

### 2013 IA 128S Line Instructions

**Lines 1 through 8** - Enter the total amounts from the federal credit for increasing research activities, form 6765.

**Lines 9, 10, 11, 15, 16, 17, & 18** - Enter only the portion of qualified research expenses that occurred in Iowa.

**Line 20** - Enter the total qualified research expenses in Iowa for the three years before the year in which the credit is being determined.

**Line 24** - Enter this amount on IA 148 Tax Credits Schedule under Part II using tax credit code 58.

**Line 25** - If research activities are conducted by eligible businesses under the New Jobs and Income Program, New Capital Investment Program, High Quality Job Creation Program, High Quality Jobs Program, or the Enterprise Zone Program, a Supplemental Alternative Simplified Research Activities Credit may be allowed. The amount of the supplemental credit is shown in the contract entered into between the eligible business and the Iowa Economic Development Authority (IEDA). For awards made by the IEDA prior to July 1, 2010, the amount of the supplemental credit cannot exceed the amount shown on line 24. For awards made by the IEDA on or after July 1, 2010, the maximum supplemental credit is calculated by multiplying line 22 by 7%, or line 19 by 3%, for businesses with gross receipts of \$20 million or less. For businesses with gross receipts exceeding \$20 million, the maximum supplemental credit is calculated by multiplying line 22 by 2.1%, or line 19 by 0.9%. Enter this amount on IA 148 Tax Credits Schedule under Part II using tax credit code 59 and include your certificate number.

**Line 26.** If the taxpayer has received any pass-through Alternative Simplified Research Activities Credit from a partnership, LLC, S corporation, estate, or trust, indicate that amount on this line. Also enter the amount on Part II of the IA 148 Tax Credits Schedule using tax credit code 58, and provide the pass-through name and Federal Employer Identification Number (FEIN) in Part IV of the IA 148 Tax Credits Schedule. If the taxpayer has received multiple pass-through Research Activities Credit(s), sum all credits and enter on this line, but list the claims separately on Part II of the IA 148 Tax Credits Schedule, providing each pass-through name and FEIN in Part IV.

**Line 27.** If the taxpayer has received any pass-through Supplemental Alternative Simplified Research Activities Credit from a partnership, LLC, S corporation, estate, or trust, indicate that amount on this line. Also enter the amount on Part II of the IA 148 Tax Credits Schedule using tax credit code 59, and provide the pass-through name and FEIN in Part IV of the IA 148 Tax Credits Schedule. If the taxpayer has received multiple pass-through Supplemental Research Activities Credit(s), sum all credits and enter on this line, but list the claims separately on Part II of the IA 148 Tax Credits Schedule, providing each pass-through name and FEIN in Part IV.

**The IA 148 Tax Credits Schedule  
must be completed.**