



S Corporation Apportionment Credit

Name(s) as shown on IA 1040	SSN	Spouse's SSN if filing status 2
Name of S Corporation	FEIN	

PART I: INCOME ITEMS Note: Lines 1-10 are from Shareholder's Federal Schedule K-1

- 1. Ordinary business income (loss) from line 1, federal Schedule K-1. 1 _____
- 2. Net rental real estate income (loss) from line 2, federal Schedule K-1. 2. _____
- 3. Other net rental income (loss) from line 3, federal Schedule K-1. 3. _____
- 4. Interest income from line 4, federal Schedule K-1. 4. _____
- 5. Dividends from line 5a, federal Schedule K-1. 5. _____
- 6. Royalties from line 6, federal Schedule K-1. 6. _____
- 7. Net short-term capital gain (loss) from line 7, federal Schedule K-1. 7. _____
- 8. Net long-term capital gain (loss) from line 8a, federal Schedule K-1. 8. _____
- 9. Net section 1231 gain (loss) from line 9, federal Schedule K-1. 9. _____
- 10. Other income (loss) from line 10, federal Schedule K-1. 10. _____
- 11. S corporation income. Add lines 1 through 10. 11. _____

PART II: DEDUCTIONS

- 12. Section 179 deduction from line 11, federal Schedule K-1. 12. _____
- 13. Other deductions other than itemized deductions from line 12, federal Schedule K-1. See instructions. 13. _____
- 14. Add lines 12 and 13. 14. _____
- 15. Taxpayer's share of S corporation income. Subtract line 14 from line 11. 15. _____
- 16. State adjustments to federal S corporation income. Include schedule. 16. _____
- 17. Taxpayer's share of Iowa S corporation income. Add lines 15 and 16. 17. _____

PART III: APPORTIONMENT

- 18. Enter total non-business income. 18. _____
- 19. Subtract line 18 from line 17. 19. _____
- 20. Business activity ratio as reported by S corporation on Part IV, line 13 of IA 1120S. 20. _____
- 21. Income apportioned to Iowa from line 19 times line 20. 21. _____
- 22. Enter Iowa non-business income. 22. _____
- 23. Iowa-source S corporation income. Add lines 21 and 22. 23. _____

PART IV: CREDIT CALCULATION

- 24. Value of cash or property distribution from income not previously taxed by Iowa 24. _____
- 25. 100% of federal tax on S corporation income. 100% of line 9, Schedule A, IA 134. 25. _____
- 26. Subtract line 25 from line 24. If less than zero, enter zero. 26. _____
- 27. Enter the greater of line 23 or line 26 27. _____
- 28. Iowa net income from line 26, IA 1040 or line 9, IA 1041; exclude NOL carryforward/carryback. 28. _____
- 29. Enter the amount from line 17, IA 134. 29. _____
- 30. Subtract line 29 from line 28. If less than zero, enter zero. 30. _____
- 31. Enter the amount from line 27, IA 134. 31. _____
- 32. Add lines 30 and 31. 32. _____
- 33. Divide line 32 by line 28. Enter percent to 4 decimal places. 33. _____ %
- 34. Subtract line 33 from 100%. 34. _____ %
- 35. Iowa tax after credits from line 47, IA 1040, or line 26, IA 1041, less credit allowed on IA 1041, line 27, less any Franchise Tax Credit. 35. _____
- 36. Credit. Multiply line 35 by line 34. If less than zero, enter zero. Enter on the IA 148 Tax Credits Schedule. The amount of any unused credit may not be carried forward. 36.





General Instructions

Iowa resident shareholders of S corporations may be eligible for a credit if the S corporation carries on business outside Iowa. For tax years beginning on or after January 1, 2013, estates and trusts with a situs in Iowa that are shareholders in S corporations may be eligible for the credit if the S corporation carries on business outside of Iowa.

Married filing separate taxpayers, filing status 3 or 4: Each spouse must calculate a separate credit on a separate IA 134.

If a taxpayer is a shareholder in multiple S corporations, a separate IA 134 must be completed for each S corporation.

Resident or trust shareholders of all S corporations which carry on business activities in at least one other state may, at their election, determine the S corporation income allocable to sources within Iowa by allocation and apportionment of the S corporation income.

Page 1, line 13 - Other Deductions

Do not include amounts paid by the corporation that would be allowed as itemized deductions on a shareholder's return if they were paid directly by a shareholder for the same purpose.

Page 1, line 24 - Value of cash or property distributions from income not previously taxed by Iowa

Distributions from income not previously taxed by Iowa include the amount of all cash distributions and the fair market value of all property distributions made during the year.

Do not include the following on this line:

- a. Distributions not subject to Iowa tax. Example: interest from federal securities or certain securities issued by Iowa.
- b. Distributions from income previously taxed by Iowa

for a year in which the S corporation was a C corporation and which is taxed as a dividend or capital gain for federal income tax purposes.

- c. Distributions from income previously taxed by Iowa for a year prior to the first tax year the resident shareholder elected to apportion income.
- d. Distributions paid from income for which the corporation can show that Iowa tax has been previously paid.

Other Information

1. A shareholder of an S corporation which carries on business outside Iowa which has elected to apportion income and then elects not to apportion income cannot re-elect to apportion income for three tax years immediately following the first tax year in which the shareholder elected not to apportion income, unless the Director of the Iowa Department of Revenue consents to the election.
2. If a taxpayer takes advantage of the apportionment provisions for a resident or trust shareholder of an S corporation, then the taxpayer may not take a credit against Iowa income tax for income taxes or taxes measured by income paid to another state or foreign country on the S corporation income.
3. For tax years beginning on or after January 1, 2002, 100% of federal income tax attributable to S corporation income can be deducted on page 1, line 25.

For more information, contact Taxpayer Services at 515-281-3114 or 1-800-367-3388 (Iowa, Omaha, Rock Island, Moline only); e-mail: idr@iowa.gov.

Schedule A: Federal Income Tax Attributable to S Corporation Income	
Shareholders who file joint returns for federal and status 3 for Iowa can refer to Iowa rule 701-50.10 for clarification.	
1	Taxpayer's share of federal S corporation income from line 15, IA 134.
2	Federal adjusted gross income from line 37, federal 1040; or line 9, federal 1041.
3	Divide line 1 by line 2. Enter percentage to 4 decimal places (not to exceed 100%)%
4	Federal income tax before credits from line 44, federal 1040; or federal 1041, Schedule G line 1a.
5	Federal alternative minimum tax from line 45, federal 1040; or federal 1041, Schedule G, line 1c.
6	Net federal income tax. Add lines 4 and 5.
7	Multiply line 3 by line 6.
8	Federal income tax credits related to S corp (exclude backup withholding and motor fuel tax credit).
9	Federal income tax attributable to S corporation income. Subtract line 8 from line 7.