



IA Corporation Schedule H1
Computation of Federal Tax Refund/Deduction

Corporation Name: _____

Federal Employer Identification Number (FEIN): _____ Tax Period: _____

For filing status 2 or 3 only. If you need more space than provided, you may copy this schedule.

Note: you must enclose pages 1-5 of your consolidated federal return.

Company Name	FEIN	Profit (A)	Loss (B)
1.			
2.			
3.			
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41.			

42. Subtotal. Use in computing federal refund/deduction. _____

43. Consolidating Adjustments and Eliminations _____

44. Total. Must equal income per federal return. _____

45. Separate company income/loss _____

46. Federal taxable income/loss from line 42 _____

47. Federal tax/refund as reported to the Internal Revenue Service _____

48. Percent allowed as an addition/reduction _____ 50%

49. Federal Refund/Deduction. Divide line 45 by line 46, multiply by line 47, then by line 48. Enter on IA 1120. _____

Schedule H General Instructions

This schedule must be used when the corporation files as part of a consolidated group for federal purposes. Use extra pages if necessary to list all companies included in the consolidated federal return.

Iowa Schedule H has three parts:

- Schedule H1 calculates the federal tax deduction/refund.
- Information from the consolidating income statements for each company included in the consolidated federal return is entered on Schedule H2.
- Schedule H3 is used to reconcile the consolidating income statements (Schedule H2) with the consolidated federal return.

Schedule H1 Instructions

List in column A the federal taxable income after the net operating loss and special deductions or in column B the federal taxable loss for each company computed as if a separate federal corporation income tax return was filed. Normally, this would be from the federal 1120, line 30.

Complete lines 45 through 49 of Schedule H1 as follows:

Line 45: Show federal taxable income of the profit company(s) reported on this Iowa return.

Line 46: Enter the total from line 42, column A.

Line 47: Enter federal tax from the federal 1120.

Line 49: The allowed federal tax deduction is 50% of the federal income taxes paid or accrued. The deduction should be computed using one of the following methods.

Accrual basis taxpayers should determine the total tax shown on page 1 of federal form 1120 and use the formula shown below.

Cash basis taxpayers should compute the sum of federal taxes paid during the current tax period and federal motor fuel tax credits applied against the tax liability for the current tax period, less any federal refunds received during the current tax period using the formula shown below on each period producing payments or refunds.

$$\begin{array}{rcccl} \text{Separate Company Federal} & & \text{Total Tax} & & \\ \text{Taxable Income} & & \text{Reported on} & & \\ \hline \text{Sum of all Positive Income} & \times & \text{the} & & \\ \text{Producing Companies} & & \text{Consolidated} & \times & 50\% = \text{Federal} \\ \text{Included in the Consolidated} & & \text{Federal Return} & & \text{Tax} \\ \text{Taxable Income Statements} & & \text{(line 31 of the} & & \text{Deduction} \\ & & \text{1120)} & & \end{array}$$

If your company files a consolidated Iowa return, the numerator in the above equation is the sum of the incomes of the profit companies included in the consolidated Iowa return. This formula is referred to as the "revenue producer's formula." The federal tax deduction is reported on IA 1120, line 5.

If the federal consolidated return reports a net operating loss which is carried back, the federal refund is computed substituting loss companies in place of taxable income companies in the above formula. This formula is known as the "loss producer's formula." The federal refund is reported on IA 1120, line 2, in the loss year.



Corporation Name: _____ FEIN: _____

For filing status 2 or 3 only.

Tax Period: _____

	Company 1	Company 2	Company 3
Company Name			
FEIN			
1a. Gross receipts or sales			
1b. Less returns & allowances			
1c. Balance			
2. Cost of goods sold			
3. Gross Profit			
4. Dividends			
5. Interest			
6. Gross rents			
7. Gross royalties			
8. Capital gain net income			
9. Net gain (or loss) from Form 4797			
10. Other income			
11. Total income			
12. Compensation of officers			
13. Salaries and wages			
14. Repairs and maintenance			
15. Bad debts			
16. Rents			
17. Taxes and licenses			
18. Interest			
19. Charitable contributions			
20. Depreciation			
21. Depletion			
22. Advertising			
23. Pension, profit-sharing, etc., plans			
24. Employee benefit programs			
25. Domestic production activities deduction			
26. Other deductions			
27. Total deductions			
28. Taxable income before NOL & special deductions			
29a. Net Operating Loss (NOL) deduction			
29b. Special deductions			
30. Taxable income			

**Reconciliation of Iowa Schedule H2 with Consolidated Federal Return**

Corporation Name: _____ FEIN: _____

For filing status 2 or 3 only.

Tax Period: _____

	Combined	Eliminations	Adjustments	Consolidated Return
1a. Gross receipts or sales				
1b. Less returns & allowances				
1c. Balance				
2. Cost of goods sold				
3. Gross Profit				
4. Dividends				
5. Interest				
6. Gross rents				
7. Gross royalties				
8. Capital gain net income				
9. Net gain (or loss) from Form 4797				
10. Other income				
11. Total income				
12. Compensation of officers				
13. Salaries and wages				
14. Repairs and maintenance				
15. Bad debts				
16. Rents				
17. Taxes and licenses				
18. Interest				
19. Charitable contributions				
20. Depreciation				
21. Depletion				
22. Advertising				
23. Pension, profit-sharing, etc., plans				
24. Employee benefit programs				
25. Domestic production activities deduction				
26. Other deductions				
27. Total deductions				
28. Taxable income before NOL & special deductions				
29a. NOL deduction				
29b. Special deductions				
30. Taxable income				