Name(s)_____ Social Security Number_____

Who may use this form?

Only Iowa residents or part year residents with a tax liability in another state, local jurisdiction, or foreign country may reduce their Iowa tax liability by claiming an out-of-state tax credit.

Part-year residents of Iowa may claim this credit only if any income earned while an Iowa resident was also taxed by another state, local jurisdiction, or foreign country. Nonresidents of Iowa may NOT claim this credit. Shareholders of S corporations who have income from the corporation that was apportioned outside Iowa through a claim to the S Corporation Apportionment Tax Credit and not taxed by Iowa may NOT claim an out-of-state credit on this income.

Instructions

Line 6 is the tax as calculated from the tax formula/tables on the other state, local jurisdiction, or foreign country's tax return, less any non-refundable credits. Do not reduce this amount by the refundable credits, tax withheld, or estimated tax payment made to the other state, local jurisdiction, or foreign country.

Complete a separate IA 130 for each state, local jurisdiction, or foreign country. Separate IA 130s are not required for foreign taxes paid by mutual funds or other regulated investment companies. The credit or portion of the credit must not exceed the amount of the Iowa tax imposed on the same income that was taxed by the other state, local jurisdiction, or foreign country.

Individuals using filing status 3 must complete a separate form IA 130 for each spouse.

When filing your IA 1040, include all IA 130 schedules, the income tax return filed with the other state or local jurisdiction, and Federal form 1116, Foreign Tax Credit, if you are claiming taxes paid to a foreign country and it is required with your federal return.

For additional information or if you were assessed an alternative minimum tax or a special tax on a lump-sum distribution by another state, see our Online Expanded Instructions at https://tax.iowa.gov.

Name of State or other jurisdiction that taxed income also taxed by Iowa:_____

1. Amount of gross income you received that was taxed by Iowa and taxed by the other state, local jurisdiction, or foreign country ....1. _____ ▲
2. Gross income from line 15, IA 1040 (or line 15, IA 126 for part-year residents)........2. _____
3. Divide line 1 by line 2 and enter the percentage rounded to the nearest tenth of a percent. Do not exceed 100.0% ....3. _____ %
4. Tax from line 49, IA 1040, less lump-sum and alternative minimum tax...................4. _____
5. Multiply line 4 by the percentage on line 3 ....5. _____
6. Enter the tax imposed by the other state, local jurisdiction, or foreign country..........6. _____ ▲

Full-Year Residents

7. Enter the smaller of lines 5 or 6 and enter this amount on line 50, IA 1040. This is your Out-of-State Tax Credit. ....7. _____

Part-Year Residents

8. Enter the total amount of gross income taxed by other state, local jurisdiction, or foreign country ....8. _____ ▲
9. Divide line 1 by line 8 and enter percentage rounded to the nearest tenth of a percent. Do not exceed 100.0%..9. _____ %
10. Multiply line 6 by the percentage on line 9 ....10. _____
11. Part-Year Residents enter the smaller of lines 5 or 10 and enter this amount on line 50, IA1040. This is your Out-Of-State Tax Credit. ....11. _____