

Shareholder Name(s): \_\_\_\_\_ SSN or FEIN: \_\_\_\_\_  
S Corporation Name: \_\_\_\_\_ S Corporation FEIN: \_\_\_\_\_

**PART I – Income Items**

- 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 deductions 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. Total deductions. 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 statement ..... 16. \_\_\_\_\_
- 17. Taxpayer’s share of Iowa S corporation income. Add lines 15 and 16 ..... 17. \_\_\_\_\_

**PART III – Apportionment**

- 18. Total non-business income..... 18. \_\_\_\_\_
- 19. Subtract line 18 from line 17 ..... 19. \_\_\_\_\_
- 20. Business activity ratio reported on IA 1120S Schedule K-1, referencing Part IV,  
line 13 of IA 1120S. Do not leave blank..... 20. \_\_\_\_\_%
- 21. Income apportioned to Iowa. Multiply line 19 by line 20 ..... 21. \_\_\_\_\_
- 22. Iowa non-business income ..... 22. \_\_\_\_\_
- 23. Iowa source S corporation income. Add lines 21 and 22..... 23. \_\_\_\_\_



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**PART IV – Credit Calculation**

- 24. Cash or property distribution from income not previously taxed by Iowa ..... 24. \_\_\_\_\_
- 25. Federal tax on S corporation income, line 9, Schedule A, IA 134..... 25. \_\_\_\_\_
- 26. Subtract line 25 from line 24. If zero or less, 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. Subtract line 17 from line 28..... 29. \_\_\_\_\_
- 30. Add lines 27 and 29..... 30. \_\_\_\_\_
- 31. Divide line 30 by line 28. Enter percentage to 4 decimals. If less than zero,  
enter 0.00%. If 1 or greater, enter 100.00%..... 31. \_\_\_\_\_ %
- 32. Subtract line 31 from 100.00% ..... 32. \_\_\_\_\_ %
- 33. Iowa tax from line 42, IA 1040, or line 26, IA 1041 ..... 33. \_\_\_\_\_
- 34. S Corporation Apportionment Tax Credit. Multiply line 32 by line 33, if zero or less,  
enter zero. Enter in column D on Part I of the IA 148 Tax Credits Schedule ... 34. \_\_\_\_\_

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

**Schedule A: Federal Income Tax Attributable to S Corporation Income**

Shareholders who file a federal joint return 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 ..... 1. \_\_\_\_\_
- 2. Federal adjusted gross income from line 7 of the federal 1040; or line 9 of the  
federal 1041 ..... 2. \_\_\_\_\_
- 3. Divide line 1 by line 2. Enter percentage to 4 decimal places (not to exceed 100%) ... 3. \_\_\_\_\_ %
- 4. Federal income tax before credits from line 11a of the federal 1040; or line 1a of  
federal 1041 Schedule G ..... 4. \_\_\_\_\_
- 5. Federal alternative minimum tax from line 45, federal 1040 Schedule 2; or line 1c of  
federal 1041 Schedule G ..... 5. \_\_\_\_\_
- 6. Net federal income tax. Add lines 4 and 5..... 6. \_\_\_\_\_
- 7. Multiply line 3 by line 6 ..... 7. \_\_\_\_\_
- 8. Federal income tax credits related to the S corporation (exclude backup withholding  
and fuel tax credit)..... 8. \_\_\_\_\_
- 9. Federal income tax attributable to S corporation income. Subtract line 8 from line 7.  
Enter on line 25 of IA 134..... 9. \_\_\_\_\_



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## 2019 IA 134 S Corporation Apportionment Tax Credit Instructions

Iowa resident shareholders of S corporations, estates, and trusts with a situs in Iowa may be eligible for an S Corporation Apportionment Tax Credit if the S corporation carries on business within and without Iowa.

A shareholder who has elected to apportion income by claiming the S Corporation Apportionment Tax Credit 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.

If a taxpayer claims the S Corporation Apportionment Tax Credit, the taxpayer may not take an Out-of-State Tax Credit against Iowa income tax for income taxes paid to another state or foreign country on the S corporation income.

For married taxpayers filing separately (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.

Each S Corporation Apportionment Tax Credit must be reported on a separate line of Part I on the IA 148 Tax Credits Schedule. Include the S corporation name in column M and the FEIN in column N of Part IV on the IA 148.

### **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.

### **Line 20: Business Activity Ratio**

Report the BAR provided to shareholders on the IA 1120S Schedule K-1. The S Corporation must complete the IA 1120S in order for shareholders to make a claim to this tax credit.

### **Line 24: 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:

- 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.

### **Line 34: S Corporation Apportionment Tax Credit**

Enter in column D of Part I on the IA 148 Tax Credits Schedule; use tax credit code 11 in column A and leave column B blank. Any credit in excess of the tax liability cannot be carried forward and should be entered as expired in column G of the IA 148.

Include this form and the IA 148 with your IA 1040 or IA 1041.