IA Corporation Schedule H1
Computation of Federal Tax Refund/Deduction

Iowa Department of REVENUE

tax.iowa.gov

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	Company FEIN	Profit (A)	Loss (B)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				

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

27. Consolidating Adjustments and Eliminations..................... _____ _____

28. Total. Must equal taxable income per federal return. .... _____

29. Separate company income/loss .... _____

30. Federal taxable income/loss from line 26 .... _____

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

32. Percent allowed as an addition/reduction... 50%

33. Federal Refund/Deduction. Divide line 29 by line 30, multiply by line 31, then multiply by line 32. Enter on IA 1120, line 5.............................. _____

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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 (NOL) 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 29 through 33 of Schedule H1 as follows:
Line 29: Show federal taxable income of the profit company(s) reported on this Iowa return.
Line 30: Enter the total from line 26, column A.
Line 31: Enter federal tax from the federal 1120.
Line 33: 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.

$$\left(\begin{array}{c} \text{Separate} \\ \text{Company} \\ \text{Federal} \\ \text{Taxable} \\ \text{Income} \end{array} \right) \div \left(\begin{array}{c} \text{Sum of all} \\ \text{Positive} \\ \text{Companies} \\ \text{Included in the} \\ \text{Consolidated} \\ \text{Taxable Income} \\ \text{Statements} \end{array} \right) \times \left(\begin{array}{c} \text{Total Tax Reported} \\ \text{on the} \\ \text{Consolidated} \\ \text{Federal Return (IA} \\ \text{1120, Schedule H1,} \\ \text{line 31)} \end{array} \right) \times 50\% = \begin{array}{c} \text{Federal Tax} \\ \text{Deduction} \end{array}$$

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 NOL 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: _____

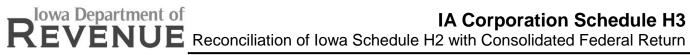Federal Employer Identification Number (FEIN): _____ Tax Period: _____

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	Company	Company
Company Name		
Company 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 (loss) from federal 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 for tax years prior to 2019		
26. Other deductions		
27. **Total deductions**		
28. Taxable income before NOL & special deductions		
29a. NOL deduction		
29b. Special deductions		
30. **Taxable income**		

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Iowa Department of
REVENUE

Corporation Name: _____

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

For filing status 2 or 3 only.

	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 (loss) from federal 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 for tax years prior to 2019				
26. Other deductions				
27. **Total deductions**				
28. Taxable income before NOL & special deductions				
29a. NOL deduction				
29b. Special deductions				
30. **Taxable income**				

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