

You may owe less tax by completing the worksheet below. All filing statuses except filing status 1, Single, may qualify for the alternate tax computation. Single taxpayers may be eligible for the Iowa income tax reduction; see Iowa Income Tax Reduction Worksheet. Carryover of a Net Operating Loss claimed on the IA 1040 must be added back to net income line 26.

Special instructions for filing status 3, Married Filing Separately on a Combined Return, and filing status 4, Married Filing Separate Returns:

- Use the combined net incomes of both spouses.
- Prorate the alternate tax between spouses in the ratio of the net income of each spouse to the combined net income of both spouses using lines 7-11 below.
- If you are married filing separately and one spouse has a net operating loss that will be carried back or forward, then you cannot use the alternate tax computation. If the spouse with the net operating loss elects not to carry the net operating loss back or forward, then you can use the alternate tax computation. A statement must be included with the return saying that the spouse with the net operating loss will not carry it back or forward.
- If you are filing status 4 and do not provide the other spouse's income in step 2 on the IA 1040, you will not be allowed the alternate tax calculation.

	B. Spouse	A. You or Joint
1. Enter:		
a. Net income from line 26, IA 1040.....	a. _____	_____
b. Pension exclusion from line 21, IA 1040.....	b. _____	_____
c. Reportable Social Security benefits from Step 4 of the IA 1040.....	c. _____	_____
d. Lump Sum distributions of taxable income reported on federal form 4972 line 8	d. _____	_____
e. Add a, b, c, and d.....	e. _____	_____
Combine columns A and B from line e	1. _____	
2. Enter \$13,500 (\$32,000 if you or your spouse was 65 or older on 12/31/18)	2. _____	
3. Income subject to alternate tax calculation. Subtract line 2 from line 1	3. _____	
4. Multiply line 3 by 8.98% (.0898)	4. _____	
5. Using the tax tables, determine the tax on the taxable income from line 38 of the IA 1040. (Status 3 and 4 filers: Calculate tax separately and combine the amounts)	5. _____	
6. Compare the amounts on line 4 and line 5. Enter the smaller amount. If using filing statuses 2, 5, or 6 also enter on line 39, IA 1040. If using filing status 3 or 4 and line 4 is less than line 5, continue to line 7. If using filing status 3 or 4 and line 5 is less than line 4 then enter each spouse's tax from the tax tables on line 39, IA 1040	6. _____	
	Spouse	You
7. Net income of both spouses from line 1e above	7b. _____	7a. _____
8. Total adjusted Iowa net income, add lines 7a and 7b.	8. _____	
9. Divide the amount on line 7a by the amount on line 8. Enter to the nearest tenth of a percent	9. _____ %	
10. Multiply line 6 by the percentage on line 9. Enter here and on IA 1040, line 39, column A	(You) 10. _____	
11. Subtract line 10 from line 6. Enter here and on IA 1040, line 39, column B. If you are using filing status 4, enter this amount on line 39, column A of your spouse's return	(Spouse) 11. _____	