

Name(s) \_\_\_\_\_ SSN \_\_\_\_\_

**Part I: Sale of Employer Securities to a Qualified Iowa Employee Stock Ownership Plan (ESOP)**

1. Name of Iowa corporation \_\_\_\_\_
2. Does the ESOP own at least 30% of all outstanding employer securities issued by the Iowa corporation?  
No  ..... Sale is not eligible for Iowa capital gain deduction. Stop.  
Yes  .... Continue to Part II, line 1.

**Part II: Details of Property Sold**

1. Was the property sold owned by a C corporation?  
No  ..... Continue to Part II, line 2.  
Yes  .... Sale is not eligible for Iowa capital gain deduction. Stop.
2. Are you the sole owner of this property? Married filers, see instructions.  
No  ..... Continue to Part II, line 3.  
Yes  .... Enter 100% on Part II, line 3.
3. Enter taxpayer's ownership percentage of the total property sold to three decimal places (for example 65.2%) ..... 3. \_\_\_\_\_ %
4. Provide all other owner name(s) \_\_\_\_\_  
\_\_\_\_\_
5. Provide all purchaser name(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. Is the capital gain from an installment sale?  
No  ..... Continue to Part II, line 7.  
Yes  .... Enter the property installment sale information:
  - a. Start date ..... 6a. \_\_\_\_\_
  - b. End date ..... 6b. \_\_\_\_\_
  - c. Total capital gain to be received by taxpayer over the life of the installment sale ..... 6c. \_\_\_\_\_
  - d. Capital gain received by the taxpayer in tax year 2017 ..... 6d. \$ \_\_\_\_\_
7. Enter the amount of taxpayer's capital gain received from this sale in tax year 2017 ..... 7. \$ \_\_\_\_\_
8. Iowa capital gain deduction. Multiply Part II, line 7 by 50% (0.5). Enter here and include on IA 1040 line 23 ..... 8. \$ \_\_\_\_\_



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## **Instructions for 2017 IA 100F – Iowa Capital Gain Deduction Sale of Employer Securities to a Qualified Iowa ESOP**

The Iowa capital gain deduction is subject to review by the Iowa Department of Revenue. The Department will use this form to verify that the taxpayer(s) qualifies for the deduction. The Department may request additional information if needed.

This completed form must be included with the IA 1040 to support the Iowa capital gain deduction claimed. Complete a separate IA 100F for each sale to a qualified Iowa ESOP. Complete the form each year of a qualifying installment sale, including all parts.

For taxpayers filing separately on the same return, each spouse must complete an IA 100F for the Iowa capital gain deduction claimed based on the spouse's ownership percentage in the property.

Flowcharts to assist in determining if a gain qualifies are also available in the expanded instructions online. For more information on the Iowa capital gain deduction, see the instructions below and 701 IAC 40.38.

### **Part I: Sale of Employer Securities to a Qualified Iowa Employee Stock Ownership Plan (ESOP)**

**Line 1.** Enter the name of the Iowa corporation whose employer securities the taxpayer sold.

**Line 2.** Check the box to indicate whether, upon completion of the sale, the ESOP owned at least 30% of all outstanding employer securities issued by the Iowa corporation entered in Part I, line 1.

### **Part II: Details of Property Sold**

**Line 1.** Check the box to indicate whether the taxpayer's capital gain resulted from the sale of property by a C corporation. The sale of assets by a C corporation does not qualify for the Iowa capital gain deduction. Note: The gain from a corporate liquidation under Internal Revenue Code (IRC) section 331 may qualify for the Iowa capital gain deduction. If the gain is realized under IRC section 331, check "No" and continue to Part II, line 2.

**Line 2.** If married filing jointly and both spouses are the only owners, check yes. If married filing separately and both spouses are owners, check no; each spouse must complete an IA100F and indicate on line 3 the separate ownership percentage of that spouse.

**Line 3.** Enter the taxpayer's ownership percentage of the property sold at the time of the sale to three decimal places (for example: 50.0%; 33.3%). If not the sole owner, the taxpayer's ownership percentage must be less than 100% and greater than 0%.

**Line 4.** Enter the names of all persons and entities that owned the property at the time of sale. If the capital gain flowed through to the taxpayer from a partnership, S corporation, limited liability company (LLC), estate, or trust, all owners of the entity must be reported.

**Line 5.** Enter the names of all persons and entities that purchased the employer securities.

**Line 6.** Check the box to indicate whether the capital gain comes from an installment sale. If "Yes," enter the date of the first installment, the expected date of the final installment, the total capital gain generated by the sale, and the capital gain the taxpayer received during tax year 2017. Do not include any interest received.

**Line 8.** Enter the amount of the taxpayer's capital gain deduction claimed, 50% of line 7. The eligibility of the Iowa capital gain deduction reported here is subject to further examination by the Department.