

This worksheet computes the amount of itemized deductions to enter on line 26 of the IA Schedule A for high income taxpayers.

**Step 1** Complete the IA 1040 Schedule A, lines 1-25.

**Step 2** Re-compute the federal Itemized Deduction Worksheet:

1. Enter the sum of lines 3, 8, 13, 17, 18, 24, and 25 from the IA 1040 Schedule A ..... 1. \_\_\_\_\_
2. Enter any Iowa income tax from line 5 of the federal Schedule A. Do not include school district/EMS surtax..... 2. \_\_\_\_\_
3. Add amounts from lines 1 and 2. .... 3. \_\_\_\_\_
4. Add the amounts on Iowa 1040 Schedule A, lines 3, 12, 18, plus gambling losses and casualty or theft losses included on line 25 and enter here..... 4. \_\_\_\_\_
5. Is the amount on line 4 less than the amount on line 3?
  - No. Stop! Your deduction is not limited. You do not need to complete the rest of this form. Enter the amount from line 1 above on the IA 1040 Schedule A, line 26.
  - Yes. Subtract line 4 from line 3..... 5. \_\_\_\_\_
6. Multiply line 5 by 80% (.80)..... 6. \_\_\_\_\_
7. Enter amount from federal 1040, line 38, plus any bonus depreciation/section 179 adjustment from line 14 of the IA 1040 and all other Iowa net income decoupling ..... 7. \_\_\_\_\_
8. Enter: \$313,800 if qualifying widow(er)/married filing jointly; \$287,650 if head of household; \$261,500 if single; \$156,900 if married filing separately for federal purposes..... 8. \_\_\_\_\_
9. Is the amount on line 8 less than line 7?
  - No. Stop! Your deduction is not limited. You do not need to complete the rest of this form. Enter the amount from line 1 above on IA 1040 Schedule A, line 26.
  - Yes. Subtract line 8 from line 7..... 9. \_\_\_\_\_
10. Multiply line 9 by 3% (.03)..... 10. \_\_\_\_\_
11. Enter the smaller of line 6 or line 10..... 11. \_\_\_\_\_
12. Total adjusted federal itemized deductions. Subtract line 11 from line 3 and enter on Step 3, line 13 below..... 12. \_\_\_\_\_

**Step 3** Complete the IA 104:

13. Enter the revised allowable federal itemized deductions from line 12 ..... 13. \_\_\_\_\_
14. Enter the amount from line 4..... 14. \_\_\_\_\_
15. Subtract line 14 from line 13 ..... 15. \_\_\_\_\_
16. Enter the amount from line 3..... 16. \_\_\_\_\_
17. Subtract line 14 from line 16 ..... 17. \_\_\_\_\_
18. Divide line 15 by line 17. Enter to the nearest tenth of a percent ..... 18. \_\_\_\_\_ %
19. Enter the amount from line 2..... 19. \_\_\_\_\_
20. Multiply line 19 by the percent on line 18 ..... 20. \_\_\_\_\_
21. Subtract line 20 from line 13. Enter this amount on line 26 of the IA 1040 Schedule A ..... 21. \_\_\_\_\_

Keep this worksheet with your tax records.