

Business Name  
▶

Federal Employer Identification Number (FEIN)  
▶

Tax Period  
▶          
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If all business is conducted within Iowa, do not complete Schedule D.  
The classification of income by the labels customarily given them, such as interest, dividends, rents, and royalties, is of no aid in determining whether that income is business or nonbusiness income.  
Provide all documentation to the Department showing why the income must be allocated as nonbusiness income.

	A	B	C	D	E
	Gross Income	Related Expenses	Subtotal*	50% of Applicable Federal Income Tax*	Net Income
<b>Allocated Within Iowa</b>					
	<small>*Not Applicable for Tax years Beginning on or after January 1, 2022</small>				
1. Net Dividend ▶					
2. Exempt Interest and Dividends ▶					
3. Other Interest ▶					
4. Rent ▶					
5. Royalties ▶					
6. Capital Gain ▶					
7. Other. Include schedule. ▶					
8. Subtotal. Add column E, lines 1 through 7. Enter on IA 1120, line 10, IA 1065, line 27, or IA 1120S, line 26, as applicable.....				▶ 8	

	A	B	C	D	E
	Gross Income	Related Expenses	Subtotal*	50% of Applicable Federal Income Tax*	Net Income
<b>Allocated Without Iowa</b>					
	<small>*(Not Applicable for Tax years Beginning on or after January 1, 2022)</small>				
9. Net Dividend ▶					
10. Exempt Interest and Dividends ▶					
11. Other Interest ▶					
12. Rent ▶					
13. Royalties ▶					
14. Capital Gain ▶					
15. Other. Include schedule. ▶					
16. Subtotal. Add column E, line 9 through 15.....				▶ 16	
17. Total. Add column E, lines 8 and 16. Enter on IA 1120, line 6, IA 1065, line 23, or IA 1120S, line 22, as applicable.....				▶ 17	



**Instructions:** When referring to the columns designated below, rent, royalty, and capital or ordinary gain income from real or tangible personal property is allocated to the situs of the property producing the income. See Iowa Administrative Code rule 701—503.2(3) for attribution of income from intangibles. For other income enter the amounts on lines 1 through 8 if the business's commercial domicile is Iowa. Enter amounts on lines 9 through 16 if the business's commercial domicile is outside Iowa.

**NEW for 2022:** For tax years beginning on or after January 1, 2022, this schedule is to be used for Iowa corporate income (IA 1120), partnership (IA 1065), and S Corporation (IA 1120S) filers. For years beginning prior to that date, this form is applicable to IA 1120 filers only.

**Column A Gross Income:** Enter the amount of income on the appropriate line. If an entry is made on line 6 or 14, you must include federal Schedule D with your return. If an entry is made on line 1, do not include any amounts previously deducted on IA 1120 Schedule A, line 13 related to foreign dividends.

**Column B Related Expense:** Enter directly-related expenses and indirectly-related interest expenses on the appropriate line. Include detailed schedules showing the computation of the related expense.

**Column C Subtotal:** For tax years beginning on or after January 1, 2022, column C is not applicable, skip to column E. For tax years beginning prior to that date, subtract column B from column A and enter the difference.

**Column D 50% of Applicable Federal Income Tax:** For tax years beginning on or after January 1, 2022, column D is not applicable, skip to column E. For years beginning prior to that date enter 50% of the applicable federal income tax. Do not enter negative amounts. The effective tax rate equals IA 1120, line 5 divided by IA 1120, line 1. Multiply column C by this tax rate to determine the entry for column D. Applicable federal income taxes are federal income taxes paid for a tax year beginning prior to January 1, 2021, adjusted by any federal income tax refunds to the extent the tax was deducted for Iowa purposes for a tax year beginning prior to January 1, 2021. The total amount is limited to the federal tax deduction shown on IA 1120, line 5.

**Column E Net Income:** For tax years beginning on or after January 1, 2022, subtract column B from column A and enter the difference. For tax years beginning before January 1, 2022, subtract column D from column C and enter the difference.