

2022 IA 1040C Composite Individual Income Tax Return for Nonresidents

Partnerships, S Corporations, Trusts, and Limited Liability Companies for filing on behalf of Nonresident Partners, Shareholders, Beneficiaries, or Members

For Fiscal year beginning _____ / _____, 2021, and ending _____ / _____, 2022

STEP 1
Name and Address

Company name: _____ FEIN: _____

Current mailing address: (number, street, apartment number, suite, PO Box) _____

City, State, and ZIP: _____

Name of contact person: _____ Daytime phone: _____

This return is for:
(Check one)
Partners
Shareholders
Beneficiaries
Members

STEP 2
Exemptions

Enter the number of individuals (count) whose lowa-source income exceeds the minimum income requirement. See instructions..... Count ▲ _____ X \$40 =\$ _____

STEP 3
Composite Income

1. Enter the total lowa-source income of all individuals whose lowa-source income exceeds the minimum income requirement. 1. ▲ _____ .00

STEP 4
Deductions

2. Deduction in lieu of federal tax deduction. See instructions..... 2. ▲ _____ .00
3. Qualified business income deduction. Include IA 8995C 3. ▲ _____ .00
4. Standard deduction. Multiply exemptions count in Step 2 by \$2,210..... 4. ▲ _____ .00
5. Total deductions. ADD lines 2 through 4 5. _____ .00
6. Composite taxable income. SUBTRACT line 5 from line 1 6. _____ .00

STEP 5
Tax

7. Compute tax from Tax Rate Schedule. See instructions..... 7. ▲ _____ .00
8. Iowa alternative minimum tax. See instructions 8. ▲ _____ .00
9. Total tax. ADD lines 7 and 8. 9. _____ .00

STEP 6
Credits

10. Personal exemption dollar amount from Step 2 above. 10. _____ .00
11. Other nonrefundable credits. Include IA 148 Tax Credits Schedule. 11. ▲ _____ .00
12. Total nonrefundable credits. ADD lines 10 and 11..... 12. _____ .00
13. Balance. SUBTRACT line 12 from line 9. If less than zero, enter zero..... 13. ▲ _____ .00
14. Iowa fuel tax credit. Include IA 4136..... 14. ▲ _____ .00
15. Other refundable credits. Include IA 148 Tax Credits Schedule. 15. ▲ _____ .00
16. Estimated and voucher payments made for the tax year. 16. ▲ _____ .00
17. Total credits. ADD lines 14, 15, and 16. 17. _____ .00

STEP 7
Refund or Amount Due

18. If line 17 is more than line 13, subtract line 13 from line 17. This is the amount you overpaid. 18. ▲ _____ .00
19. Enter the amount from line 18. This is the REFUND amount..... 19. ▲ _____ .00
20. RESERVED FOR FUTURE USE. DO NOT USE THIS LINE. 20. ▲ _____ .00
21. If line 17 is less than line 13, subtract line 17 from line 13
This is the AMOUNT OF TAX YOU OWE. 21. ▲ _____ .00
22. Penalty. See instructions. 22. ▲ _____ .00
23. Interest. See instructions. 23. ▲ _____ .00
24. TOTAL AMOUNT DUE. ADD lines 21, 22, and 23, and enter here. 24. ▲ _____ .00

Make check payable to Iowa Department of Revenue

I, the undersigned, declare under penalties of perjury or false certificate, that I have examined this return, and, to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer: _____
Title: _____ Date: _____
Daytime telephone number: _____

Preparer's signature: _____
Preparer's name: _____
Preparer's address: _____
Preparer's PTIN: _____ Date: _____
Firm name: _____
Firm's FEIN: _____

SIGN AND DATE YOUR RETURN.
MAIL TO: COMPOSITE RETURN PROCESSING
IOWA DEPARTMENT OF REVENUE
PO BOX 9187
DES MOINES IA 50306-9187



Instructions for Composite Iowa Individual Income Tax Return for Nonresidents

Important—Read Before Completing!

This 2022 IA 1040C may only be used by a pass-through entity with a fiscal tax year to report a nonresident owner's income earned during the entity's tax year that began in 2021 and ended in 2022. It shall not be used to file on a composite basis for any tax year of a pass-through entity that began on or after January 1, 2022. See the 2022 IA PTE-C Iowa Composite Return for more information on new composite return requirements that apply to tax years beginning on or after January 1, 2022. A pass-through entity may be required to file both a 2022 IA 1040C and a 2022 IA PTE-C.

Filing Requirements

Nonresident partners, shareholders, members, or beneficiaries who are individuals, trusts, or estates can be included in a composite return if they meet the following requirements:

A nonresident member must have enough income to create a positive tax due. This minimum income requirement is met when the taxpayer's Iowa-source income is reduced by the standard deduction, tax is calculated, the exemption credit is subtracted from the calculated tax, and Iowa tax due is still greater than \$0.00. See IA 1040C instructions, page 2 for minimum income required based upon tax brackets.

A nonresident member can be included if the income from this entity is the only Iowa-source income the member received for this tax year. Members with income from multiple Iowa sources must complete IA 1040 Iowa Individual Income Tax Return.

Note: Enclose a copy of each nonresident owner's Iowa Schedule K-1 along with the IA 1065 or IA 1120S. Enclose a copy of each nonresident beneficiary's federal Schedule K-1 along with the IA 1041. All filers must complete and enclose IA 1040C, page 2, Schedule NR.

Line Instructions

Line 1: Each nonresident partner's, shareholder's, or member's Iowa K-1 will show that partner's, shareholder's, or member's income and nonresident modifications that are apportioned to Iowa. The apportioned amount of each item of Iowa K-1 income that is a part of federal adjusted gross income and the

apportioned modifications of all nonresident partners, all nonresident shareholders, and/or all members included in this composite return are to be totaled and entered on this line. Nonresidents with other Iowa-source income are not to be included on IA 1040C.

Beneficiaries of a trust do not have an Iowa K-1, only a federal K-1. Consequently, when nonresident beneficiaries are included in the filing of a composite return with Iowa, they must total all income and/or capital gain from real property or tangible personal property located in Iowa and any other business income attributable to Iowa and enter on this line.

Line 2: A deduction is allowed in lieu of the deduction for federal tax paid and is based upon the following schedule:

Amount shown on line 1	Deduction
\$0-\$49,999	= No deduction
\$50,000-\$99,999	= 5% of line 1
\$100,000-\$199,999	= 10% of line 1
Over \$200,000	= 15% of line 1

Line 3: Enter the amount from 2022 IA 8995C, Step 5, line 4. Include IA 8995C with your return.

Line 8: Partners, shareholders, beneficiaries, or members reporting income on the composite return may also be subject to Iowa alternative minimum tax. The Iowa alternative minimum tax is imposed on most of the same tax preference and adjustment items treated as exclusions for federal alternative minimum tax purposes. See form IA 6251 to determine if any Iowa alternative minimum tax is due and enclose completed form if necessary.

Line 11: Enter the total of the nonrefundable credits from Part I of IA 148 Tax Credits Schedule. You must complete IA 148 to include the total of all members' credits that are included on this return. Beneficiaries must provide an additional worksheet with the amount of the tax credit for each member included on the return.

Line 14: Enter the amount of fuel tax credit from IA 4136, line 8 attributable to the partners, shareholders, members, or beneficiaries on this return. The federal Schedule 4136 cannot be used. The Iowa credit does not apply to fuel used in on-road vehicles or pleasure boats.

Line 15: Enter the total of the refundable credits from Part II of IA 148 Tax Credits Schedule. You must complete IA 148 Tax Credits Schedule to include the total of all members' credits that are included on this return. Beneficiaries must provide an additional worksheet with the amount of the tax credit for each member included on this return.

Line 16: Enter the total amount of estimated tax payments and any of the prior year's carryforward applied to your estimated payments for the tax year.

Line 22: Failure to Timely File a Return: A penalty of 5% will be added to the tax due for failure to timely file a return if the return is filed after the original due date of the return and if at least 90% of the correct amount of tax is not paid by the original due date of the return.

Failure to Timely Pay the Tax Due: A penalty of 5% will be added to the tax due if the return is filed by the original due date and at least 90% of the correct amount of tax is not paid by the original due date of the return. This penalty is in addition to the penalty for failure to timely file, if applicable.

Audit or Examination Deficiency: A penalty of 5% will be added to the unpaid tax if the Department discovers an underpayment during an audit or examination.

Penalty for Willful Failure to File: A penalty of 75% will be added to the tax due for willful failure to file a return or for filing with intent to evade tax.

Waivers: Penalties can be waived under limited circumstances, as described in Iowa Code section 421.27. Complete and submit a Penalty Waiver Request form (78-629) to request a penalty be waived.

Line 23: Interest must be added to delinquent tax. Interest is added at a rate of 0.4% per month beginning on the due date of the return and accrues each month until paid in full.

Line 24: Final payment for the return must be made with form IA 1040V using the partnership's, limited liability company's, S corporation's, or trust's identification number. There is not an electronic payment option.

IA 1040C Tax Rate Schedule

Minimum Income Requirement for Each Tax Bracket	If Line 6 Is Over	But Not Over	Tax Rate			Of Excess Over
Not applicable	0	1,743	0	plus	0.33%	0
Not applicable	1,743	3,486	5.75	plus	0.67%	1,743
Not applicable	3,486	6,972	17.43	plus	2.25%	3,486
\$3,176	6,972	15,687	95.87	plus	4.14%	6,972
\$2,920	15,687	26,145	456.67	plus	5.63%	15,687
\$2,881	26,145	34,860	1,045.46	plus	5.96%	26,145
\$2,850	34,860	52,290	1,564.87	plus	6.25%	34,860
\$2,748	52,290	78,435	2,654.25	plus	7.44%	52,290
\$2,679	78,435	Over	4,599.44	plus	8.53%	78,435