

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

**This form shall be used for installment sales occurring prior to January 1, 2023 and sales occurring after January 1, 2023 that are not claimed under the single lifetime election for retired farmers and surviving spouses.**

**Part I: Details of Sale**

1. Did the sale occur prior to January 1, 2023?  
 No  .....Continue to Part I, line 2  
 Yes  .....Continue to Part I, line 3
2. Are you a retired farmer or surviving spouse who has claimed an exclusion under Iowa Code section 422.7(13)(c) or (d) for the current tax year? (see instructions)  
 No  .....Continue to Part I, line 3  
 Yes  .....Stop. (see instructions)
3. Is the capital gain from an installment sale?  
 No  .....Continue to Part II, line 1  
 Yes  .....Enter the installment sale information:
  - a. Start date (mm/dd/yyyy): \_\_\_\_\_
  - b. End date (mm/dd/yyyy): \_\_\_\_\_
  - c. Total capital gain to be received by taxpayer over the life of the installment sale .....\$ \_\_\_\_\_
  - d. Total capital gain deduction claimed in prior years...\$ \_\_\_\_\_
  - e. Capital gain received by the taxpayer in the current tax year .....\$ \_\_\_\_\_

**Part II: Sale of Cattle, Horses, or Breeding Livestock**

1. Was the gain from the sale of livestock reported under IRC section 1231?  
 No  .....Sale is not eligible for Iowa capital gain deduction. Stop.  
 Yes  .....Continue to Part II, line 2
2. Report information on each livestock sale that meets the minimum holding period (see instructions)

Type of livestock (for example Cattle, Horse, Swine)	Livestock use (enter Breeding, Dairy, Draft, or Sporting)	Documented sale date	Meet minimum holding period?	Buyer name if lineal descendant	Buyer relation if lineal descendant



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- 3. Were all sales reported on Part II, line 2 to a lineal descendant and did they occur prior to January 1, 2023?  
 No  ..... Continue to Part II, line 4  
 Yes  ..... Continue to Part II, line 8
- 4. Enter taxpayer's gross income from farming and ranching operations (see instructions) ..... 4. \$ \_\_\_\_\_
- 5. Enter taxpayer's gross income (see instructions) ..... 5. \$ \_\_\_\_\_
- 6. Share of gross income from farming or ranching. Divide line 4 by line 5. Enter percentage to the nearest one tenth of one percent (for example 75.8%) ..... 6. \_\_\_\_\_ %
- 7. Is line 6 greater than 50.0%?  
 No  .... Stop. Sales to anyone other than a lineal descendant are not eligible for this deduction if the sale occurred prior to January 1, 2023. For sales that occurred on or after January 1, 2023, sales to a lineal descendant are also not eligible for this deduction. Remove sales occurring on or after January 1, 2023 and sales to anyone other than a lineal descendant from Part II, line 2 and return to Part II, line 3.  
 Yes  .... Continue to Part II, line 8
- 8. Is the capital gain from a C Corporation?  
 No  .... Continue to Part II, line 10  
 Yes  .... Continue to Part II, line 9
- 9. Was the capital gain recognized under IRC 331 or IRC 338?  
 No  ..... Sale is not eligible for Iowa capital gain deduction. Stop.  
 Yes  ..... Continue to Part II, line 10
- 10. Enter taxpayer's ownership percentage of the total property sold to the nearest one tenth of one percent (for example 65.2%).  
 Married filers see instructions. .... 10. \_\_\_\_\_ %
- 11. Provide all other owner name(s) or the pass-through entity name (if applicable).  
 \_\_\_\_\_  
 \_\_\_\_\_
- 12. Iowa capital gain deduction. Enter the amount of the taxpayer's capital gain deduction here and include on IA 1040 Schedule 1, line 16 ..... 12. \$ \_\_\_\_\_



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## Instructions for 2023 IA 100A – Iowa Capital Gain Deduction for Sales of Cattle, Horses, or Breeding Livestock

**What's New:** The IA 100A should only be used for installment sales occurring before January 1, 2023 and for sales occurring after January 1, 2023 that are not claimed under the single lifetime election for retired farmers and surviving spouses. Sales occurring on or after January 1, 2023 claimed under the single lifetime election for retired farmers and surviving spouses should be reported on form IA 100G.

Capital gains from installment sales of cattle, horses, or other breeding livestock that occurred prior to January 1, 2023 are eligible to be claimed under the capital gain deduction requirements that existed prior to January 1, 2023. Capital gains from sales of cattle, horses, or other breeding livestock that occurred on or after January 1, 2023 are eligible to be claimed under the new capital gain deduction requirements in House File 2649 passed during the 2024 legislative session.

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 for livestock sales. Multiple livestock sales can be reported on one IA 100A as long as the property details are the same across all sales. If property details reported in Part II differ across sales, complete a separate IA 100A. Complete the form for each year of a qualifying installment sale, including all parts.

For taxpayers filing separately, each spouse must complete an IA 100A 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 on the Department's website. For more information on the Iowa capital gain deduction, see the instructions below and Iowa Administrative Code rule 701—302.38 (2022).

### Part I: Details of Sale

**Line 1:** Check the box to indicate whether the sale occurred prior to January 1, 2023.

**Line 2:** Check the box to indicate whether the taxpayer is a retired farmer or surviving spouse who has claimed an exclusion for this sale under Iowa Code section 422.7(13)(c) or (d). "Retired farmer" means an individual who is disabled or who is fifty-five years of age or older and who no longer materially participates in a farming business when an exclusion and deduction is claimed under Iowa Code section 422.7(13). If the sale occurred on or after January 1, 2023, and the taxpayer is a retired farmer or surviving spouse, complete form IA 100G. If the taxpayer has made an election to deduct capital gains from the sale of livestock under Iowa Code section 422.7(13)(c) or (d), then the taxpayer is not eligible to claim this deduction. The taxpayer should use IA 100G to report any livestock sales that meet the requirements under Iowa Code section 422.7(13)(c) or (d).

**Line 3:** Check the box to indicate whether 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, the total capital gain deduction claimed in prior years, and the capital gain the taxpayer received during tax year 2023. Do not include any interest received.

### Part II: Details of Sale of Cattle, Horses, or Breeding Livestock

**Line 1:** Check the box to indicate whether the taxpayer reported the capital gain under Internal Revenue Code (IRC) section 1231.

**Line 2:** Complete the table as instructed below. Enter each animal sold on a separate line; however, if multiple animals have identical information in each column of the table, the animals may be combined on one line by entering the number and type of livestock sold in the first column (for example, "3 Bulls," "10 Swine"). Include a separate statement if more lines are needed.

**Type of livestock:** Enter the type of livestock sold as "Cattle," "Horses," or specify the type of breeding livestock sold. Breeding livestock may include swine, donkeys, sheep, goats, fur-bearing mammals, and other mammals. Breeding livestock does not include poultry, chickens, turkeys, pigeons, geese, other birds, fish, frogs, or reptiles, and sales of these animals do not qualify for the Iowa capital gain deduction.

**Livestock use:** Enter whether the taxpayer used the livestock sold for “Breeding,” “Dairy,” “Draft,” or “Sporting” purposes. Livestock other than cattle and horses must be used for breeding purposes to qualify for the Iowa capital gain deduction.

**Documented sale date:** Enter the sale date for the livestock sold, as indicated in supporting documentation and as reported on the taxpayer’s federal return.

**Meet minimum holding period?:** Enter “Yes” or “No” to indicate whether the livestock sold meet the minimum holding period. Cattle and horses must be held for at least 24 months. Other breeding livestock must be held for at least 12 months. Cattle, horses, and other breeding livestock that do not meet the minimum holding period do not qualify for the Iowa capital gain deduction and should not be included.

**Buyer name if lineal descendant:** If the buyer of the livestock is a lineal descendant of the taxpayer, enter the name of the buyer. If the buyer of the livestock is not a lineal descendant of the taxpayer, leave the field blank. Lineal descendant is defined as a child of the taxpayer including a biological child, a legally adopted child, a stepchild, grandchild, and great-grandchild.

**Buyer relation if lineal descendant:** If the buyer of the livestock is a lineal descendant of the taxpayer, enter the buyer’s relation to the taxpayer (for example, “Child,” “Grandchild”). If the buyer of the livestock is not a lineal descendant of the taxpayer, leave the field blank.

**Line 4:** Enter the taxpayer’s gross income from farming or ranching operations in the year the sale occurred. If married filing jointly, income from both spouses must be included. Farming and ranching gross income is typically reported on federal Schedule F line 9 or 50, federal Form 4835, line 7, or as partnership income from farming. If farm income was reported on another location on the federal return, enter that income before any expenses are deducted.

**Line 5:** Enter the taxpayer’s gross income from IA 1040, line 15 for tax years 2022 and prior or federal 1040, line 9 for tax years 2023 and later in the year the sale occurred, with modifications to reflect income before the deduction of expenses. Common examples include: gross farm income on IA 100A Part II, line 4 rather than net farm income reported on IA 1040, line 11 or Schedule F, line 34 or Form 4835, line 32; and gross income on federal Schedule C, line 7 rather than business income reported on IA 1040 line 5 or Schedule C, line 31. If married filing jointly, income from both spouses must be included.

**Line 6:** Calculate the proportion of the taxpayer’s gross income from farming or ranching operations by dividing Part II, line 4 by Part II, line 5. Round the number to the nearest one tenth of one percent. (for example: 100.0%; 65.2%)

**Line 7:** If married filing separately, each spouse claiming the capital gain deduction must separately meet and demonstrate the individual’s gross income from farming or ranching operations exceeds 50.0% by completing a separate IA 100A.

**Line 8:** Check the box to indicate whether the capital gain is from a C corporation.

**Line 9:** Indicate whether the C corporation capital gain was from the liquidation of assets which are recognized as a sale of assets under IRC section 331 or from certain stock sales which are treated as an acquisition of assets under IRC section 338.

**Line 10:** Enter the taxpayer’s ownership percentage of the property sold at the time of the sale to the nearest one tenth of one percent (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%. If married filing jointly and both spouses are the only owners, enter 100%. If married filing separately and both spouses are owners, each spouse must complete an IA 100A and indicate on line 10 the separate ownership percentage of that spouse.

**Line 11:** Enter the names of all persons and entities that owned the livestock at the time of sale. Alternatively, if the capital gain flowed through to the taxpayer from a partnership, S corporation, limited liability company (LLC), estate, or trust, only that entity may be reported here instead of all other co-owners.

**Line 12:** Enter the amount of the taxpayer’s capital gain deduction claimed. For installment sales, also enter the amount from Part I, line 3e. Note that the deduction applies to the net capital gain from a sale. Any nonrecaptured losses are treated as ordinary income and are not eligible for the Iowa capital gain deduction. The eligibility of the Iowa capital gain deduction reported here may be subject to further examination by the Department.