

Shareholder name(s): _____

Social Security Number (SSN) or Federal Employer Identification Number (FEIN): _____

S Corporation name: _____ S Corporation FEIN: _____

PART I – Taxpayer’s Share of S Corporation Income

- 1. Taxpayer’s share of net federal S corporation income. Enter the amount from the “Balance. Total income minus total deductions” line of the IA 1120S Schedule K-1, Part II, Column (a).....1. _____
- 2. Taxpayer’s share of Iowa modifications. Enter the amount from the IA 1120S Schedule K-1, Part II, Column (a), line 16.....2. _____
- 3. Taxpayer’s share of all-source S corporation income for Iowa tax purposes. Add lines 1 and 23. _____

PART II – Allocation and Apportionment of Taxpayer’s S Corporation Income

- 4. Taxpayer’s share of Iowa-source S corporation income. Enter the amount from the “Balance. Total income minus total deductions” line of the IA 1120S Schedule K-1, Part II, Column (b)4. _____
- 5. Taxpayer’s share of Iowa-source modifications. Enter the amount from the IA 1120S Schedule K-1, Part II, Column (b), line 16.....5. _____
- 6. Taxpayer’s share of Iowa allocated income. Enter the amount from the IA 1120S Schedule K-1, Part II, Column (b), line 176. _____
- 7. Taxpayer’s share of Iowa-source S corporation income. Add lines 4-67. _____

PART III – Credit Calculation

- 8. Cash or property distribution from income not previously taxed by Iowa.....8. _____
- 9. Federal tax on S corporation income from Schedule A, line 9, of this IA 134.....9. _____
- 10. Subtract line 9 from line 8. If zero or less, enter zero..... 10. _____
- 11. Enter the greater of line 7 or line 10 11. _____
- 12. Iowa taxable income. Enter one of the following amounts, as applicable, but exclude any Iowa net operating loss (NOL) carryforward deduction:
 (a) Individuals: 2023 IA 1040, line 4.
 (b) Trust/Estate: 2023 IA 1041, line 25.
 (c) Electing Small Business Trust (ESBT): 2023 IA 1041, Schedule E, line 4 . 12. _____
- 13. Subtract line 3 from line 12..... 13. _____
- 14. Add lines 11 and 13..... 14. _____
- 15. Divide line 14 by line 12. Enter the result as a percentage rounded to the nearest ten-thousandth of a percent (e.g. 12.3456%). If less than zero, enter 0%. If 1 or greater, enter 100% 15. _____ %



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- 16. Subtract line 15 from 100%. Enter the result as a percentage rounded to the nearest ten thousandth of a percent 16. _____ %
- 17. Iowa tax. Enter one of the following amounts, as applicable:
 - (a) Individuals: Subtract IA 1040, line 11 from IA 1040, line 5.
 - (b) Trust/Estate: Subtract IA 1041, line 32 from IA 1041, line 26.
 - (c) ESBT: Subtract IA 1041, line 32 from IA 1041, line 30 17. _____
- 18. S Corporation Apportionment Tax Credit for Full-Year Resident. Multiply line 16 by line 17, if zero or less, enter zero. If you were a full-year Iowa resident, enter this amount in column D on Part I of the 2023 IA 148 Tax Credits Schedule. If you were a part-year Iowa resident, proceed to Part IV 18. _____

PART IV – Credit Calculation for Part-Year Residents

- 19. Enter the total amount of S corporation income (loss) that was reported as Iowa-source income on your 2023 IA 126, lines 1-24, or on your 2023 IA 1041, Schedule C, Column B, lines 1-8. This amount **CANNOT** exceed the amount entered on line 3 of this IA 134 19. _____
- 20. From the total entered on line 19, enter the portion of that S corporation income (loss) that was reported as earned while an Iowa resident on your 2023 IA 126 or your IA 1041, Schedule C 20. _____
- 21. Divide line 20 by line 3. Enter the result as a percentage rounded to the nearest ten-thousandth of a percent. If less than zero, enter 0%. If 1 or greater, enter 100% 21. _____ %
- 22. Multiply line 18 by line 21, if zero or less, enter zero. If you were a part-year resident, enter this amount in column D on Part I of the 2023 IA 148 Tax Credits Schedule 22. _____

IA 148 Tax Credits Schedule must be completed



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Schedule A: Federal Income Tax Attributable to S Corporation Income

1. Enter the taxpayer's share of net federal S corporation income from Part 1, line 1 of this IA 134 1. _____
2. Federal adjusted gross income from your 2023 federal 1040, line 11; or total income from your 2023 federal 1041, line 9..... 2. _____
3. Divide line 1 by line 2. Enter the result as a percentage rounded to the nearest ten-thousandth of a percent (i.e., 12.3456%). Do not exceed 100% 3. _____ %
4. Federal income tax before credits from your 2023 federal 1040, line 16; or your 2023 federal 1041, Schedule G, line 1a 4. _____
5. Federal alternative minimum tax from your 2023 federal 1040, Schedule 2, line 1; or your 2023 federal 1041, Schedule G, line 1c..... 5. _____
6. Net federal income tax. Add lines 4 and 5 6. _____
7. Multiply line 3 by line 6 7. _____
8. Federal income tax credits related to the S corporation (exclude backup withholding and fuel tax credit)..... 8. _____
9. Federal income tax attributable to S corporation income. Subtract line 8 from line 7. Enter on line 9 of this IA 134 9. _____



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What's new for tax year 2023

This form has been redesigned for tax years beginning on or after January 1, 2023. In order to complete this form, you will need your IA Schedule K-1 received from your S corporation, your 2023 IA 1040 or IA 1041, and your 2023 federal 1040 or 1041. If you are a part-year resident, you will also need your 2023 IA 126.

About the Iowa S Corporation Apportionment Tax Credit

Shareholders of S corporations who are Iowa resident individuals, or who are estates/trusts with a situs in Iowa, may be eligible for an S Corporation Apportionment Tax Credit if the S corporation carries on business within and without Iowa.

If an eligible shareholder claims the S Corporation Apportionment Tax Credit, and then does not claim the S Corporation Apportionment Tax Credit in the following tax year, the shareholder cannot claim an S Corporation Apportionment Tax Credit for three tax years immediately following the tax year in which the shareholder declined to claim the tax credit, unless the Director of the Iowa Department of Revenue consents to the election.

Example: A resident individual shareholder of an S Corporation claims the S Corporation Apportionment Tax Credit in tax year 2022. They do not claim the S Corporation Apportionment Tax Credit in tax year 2023. As a result, they cannot claim the S Corporation Apportionment Tax Credit with respect to that S Corporation's income in tax years 2024, 2025, or 2026, unless the Director of the Iowa Department of Revenue consents to the election.

If a taxpayer claims the S Corporation Apportionment Tax Credit, the taxpayer may not claim an Iowa Out-of-State Tax Credit (IA 130) for income taxes paid by the taxpayer or the S Corporation to another jurisdiction on the S corporation income.

For married taxpayers filing separately, each spouse must calculate a separate credit on a separate IA 134.

If a taxpayer is a shareholder in multiple S corporations, a separate IA 134 must be completed for each S corporation.

Each S Corporation Apportionment Tax Credit must be reported on a separate line of Part I on the 2023 IA 148 Tax Credits Schedule. Include the

S corporation name in column M and the FEIN in column N of Part IV on the IA 148.

Line Instructions

Line 8: Cash or Property Distributions from Income Not Previously Taxed by Iowa

Enter the amount of cash or property distributions from income that were not previously taxed by Iowa. This includes the amount of all cash distributions and the fair market value of all property distributions made during the year, except for the following exclusions:

- a. Distributions of income excluded from Iowa tax under Iowa Code section 422.7 (example: interest from federal securities or certain securities issued by Iowa). This exclusion does not include any distribution from income apportioned outside of Iowa pursuant to a prior S Corporation Apportionment Tax Credit claim.
- b. Distributions from income previously taxed by Iowa for a year in which the S corporation was a C corporation and which is taxed as a dividend or capital gain for federal income tax purposes.
- c. Distributions from income previously taxed by Iowa for a year prior to the first tax year the resident shareholder elected to claim the S Corporation Apportionment Tax Credit.
- d. Distributions paid from income for which the corporation can show that Iowa tax has been previously paid. This exclusion does not include any distribution from income apportioned outside of Iowa pursuant to a prior S Corporation Apportionment Tax Credit Claim.

For additional information, see Iowa Administrative Code rule 701-403.3.

Line 18: S Corporation Apportionment Tax Credit for Full-Year Resident

If you are a full-year resident, enter this amount in column D of Part I on the 2023 IA 148 Tax Credits Schedule; use tax credit code 11 in column A and leave column B blank. Any credit in excess of the tax liability cannot be carried forward and should be entered as expired in column G of the IA 148. Part-year residents must also complete lines 19-22 before claiming the credit.

Line 19: Your S corporation income (loss) reported on your 2023 IA 126, lines 1-24, or on your 2023 IA 1041, Schedule C, Column B, line 1-8, will include the total amount earned while you were an Iowa resident, and the portion attributable to Iowa earned while you were a nonresident. Report both amounts on this line.

Line 20: From the total amount reported on line 19, enter the total amount earned while you were an Iowa resident. Do not include the portion attributable to Iowa earned while you were a nonresident.

Line 22: S Corporation Apportionment Tax Credit for Part-Year Resident

If you are a part-year resident, enter this amount in column D of Part I on the 2023 IA 148 Tax Credits Schedule; use tax credit code 11 in column A and leave column B blank. Any credit in excess of the tax liability cannot be carried forward and should be entered as expired in column G of the IA 148.

Include this form and the IA 148 with your IA 1040 or IA 1041.