

# IOWA Department of REVENUE

## **Dependent Health Care Coverage in Iowa: Tracking Coverage Through Tax Year 2010 Returns**

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# Executive Summary

## Report Requirements

2008 Iowa Acts, House File 2539, section 4, as amended by Senate File 389, requires the Iowa Department of Revenue (IDR) to report the following annually to the Governor and the General Assembly:

- The number of Iowa families, by income level, claiming the State income tax exemption for dependent children.
- The number of Iowa families, by income level, claiming the State income tax exemption for dependent children who also indicate the presence or absence of health care coverage for the dependent children.
- The number of Iowa families, by income level, claiming the State income tax exemption for dependent children who receive information from the Department and who subsequently apply for and are enrolled in the appropriate program.

**Table A**, at the end of this summary, presents taxpayer return information gathered for tax year 2010 by income level. Key information from the analysis of 2010 tax returns is the following:

## Families Claiming Dependent Exemptions by Income Level

- Of the 1.36 million individual income tax returns filed by resident taxpayers, **450,492 (34%) claimed at least one State income tax exemption for a dependent**. Of those families claiming at least one State income tax exemption for a dependent:
  - 78,109 (**17.3%**) reported gross **income of \$20,000 or less**.
  - 267,159 (**59.3%**) reported gross **income between \$20,001 to \$90,000**.
  - 105,224 (**23.4%**) reported gross **income of \$90,001 and over**.

## Response Rates

- Of the 450,492 taxpayers claiming at least one State income tax exemption for a dependent:
  - **382,556 (84.9%) families reported health care coverage** for one or more dependents.
  - **30,986 (6.9%) families reported the absence of health care coverage** for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns.
  - **36,980 (8.2%) families did not respond**.

## Health Care Coverage for Low Income Families

- Of the 78,109 taxpayers with dependents reporting gross income of \$20,000 or less:
  - 61,435 (**78.7%**) reported **health care coverage** for one or more dependents.
  - 9,817 (**12.6%**) reported the **absence of health care coverage** for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns.
  - 6,857 (**8.8%**) **did not respond**.

## Health Care Coverage for Middle Income Families

- Of the 267,159 taxpayers with dependents reporting gross income between \$20,001 and \$90,000:
  - 225,238 (**84.3%**) reported **health care coverage** for one or more dependents.
  - 18,445 (**6.9%**) reported the **absence of health care coverage** for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns.
  - 23,476 (**8.8%**) **did not respond**.

### Health Care Coverage for High Income Families

- Of the 105,224 taxpayers with dependents reporting gross income of \$90,001 and over:
  - 95,883 (**91.1%**) reported **health care coverage** for one or more dependents.
  - 2,694 (**2.6%**) reported the **absence of health care coverage** for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns.
  - 6,647 (**6.3%**) **did not respond**.

### Coverage Status by Filing Method

- Of the 44,782 taxpayers with dependents filing paper returns:
  - 32,720 (**73.1%**) reported **health care coverage**.
  - 3,247 (**7.3%**) reported the **absence of health care coverage** for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns.
  - 8,815 (**19.7%**) **did not respond**.
- Of the 405,710 taxpayers with dependents filing electronic returns:
  - 349,840 (**86.2%**) reported **health care coverage**.
  - 27,707 (**6.8%**) reported the **absence of health care coverage** for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns.
  - 28,163 (**6.9%**) **did not respond**.

### New Coverage

- The Department of Human Services (DHS) received 140 applications for **hawk-i** that can be attributed to the 23,758 letters mailed by the IDR. Of those applications:
  - 52 applications were approved for **hawk-i**,
  - 37 were approved for Medicaid,
  - 1 is pending, and
  - 50 were denied.
- Of the 89 families who identified the tax return as how they learned about their eligibility for health care coverage and whose children were enrolled:
  - **25 (28.1%)** reported **income of \$20,000 or less**.
  - **64 (71.9%)** reported **income between \$20,001 to \$90,000**.
- As a result of the mailing, an estimated 311 previously uncovered children now have health care coverage.

### Administrative Costs

- DHS reports that its regular outreach cost per new enrollee for FY 2011 was \$43.52 per person compared to \$34.70 for the tax year 2010 dependent health care tracking project.

**Table A: Dependent Health Care Coverage Reporting on Iowa Returns through Final Review, Tax Year 2010**

<i>Resident Filers</i>							
Gross Income	Total Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	78,109	61,435	78.7%	9,817	12.6%	6,857	8.8%
\$20,001 to 30,000	52,619	40,795	77.5%	6,263	11.9%	5,591	10.6%
\$30,001 to 40,000	45,124	36,251	80.3%	4,219	9.3%	4,654	10.3%
\$40,001 to 50,000	38,750	32,731	84.5%	2,723	7.0%	3,296	8.5%
\$50,001 to 60,000	36,864	31,926	86.6%	1,837	5.0%	3,101	8.4%
\$60,001 to 70,000	35,208	31,026	88.1%	1,492	4.2%	2,690	7.6%
\$70,001 to 80,000	31,589	28,116	89.0%	1,137	3.6%	2,336	7.4%
\$80,001 to 90,000	27,005	24,393	90.3%	804	3.0%	1,808	6.7%
\$90,001 to 100,000	22,169	20,081	90.6%	608	2.7%	1,480	6.7%
\$100,001 to 125,000	35,817	32,490	90.7%	953	2.7%	2,374	6.6%
\$125,001 to 150,000	17,740	16,201	91.3%	454	2.6%	1,085	6.1%
\$150,001 to 175,000	9,258	8,501	91.8%	235	2.5%	522	5.6%
\$175,001 to 200,000	5,254	4,804	91.4%	119	2.3%	331	6.3%
\$200,001 to 250,000	5,449	5,021	92.1%	147	2.7%	281	5.2%
\$250,001 or more	9,537	8,785	92.1%	178	1.9%	574	6.0%
<b>Total</b>	<b>450,492</b>	<b>382,556</b>	<b>84.9%</b>	<b>30,986</b>	<b>6.9%</b>	<b>36,980</b>	<b>8.2%</b>

**Analysis Using N220 Data from Tax Year 2010  
Iowa Department of Revenue**

Notes: Families are grouped based on gross income, reported on line 15 of the Iowa 1040. A taxpayer reporting dependents with and without coverage is included only in the absence of coverage group. The numbers include individual income tax returns through final review as of November 24, 2011 where all amended returns and those filed by non-residents are ignored.

# Report on Dependent Health Care Coverage

## 1. Introduction

In 2008, the Iowa General Assembly passed House File 2539 (HF 2539) with the goal of extending health care coverage to all Iowans. The first step in reaching that goal was to extend coverage to all eligible children in the State through the existing *hawk-i* program and to expand *hawk-i* eligibility. One effort to extend health care coverage for children was a requirement that the Iowa Department of Revenue (IDR) track coverage through the individual income tax return.

Starting with tax year 2008, IDR changed the Iowa individual income tax form allowing taxpayers to indicate the presence or absence of health care coverage for their dependent children (See Appendix for the Tax Year 2010 IA 1040). For those taxpayers reporting the absence of coverage for one or more dependents and meeting income guidelines, IDR sent a notice providing information about how to enroll those children in Medicaid or *hawk-i*.

This report for the Governor and the General Assembly fulfills the requirements established under HF 2359 as amended by Senate File 289 (SF 289). The report provides information for tax year 2010 on:

- The number of Iowa families, by income level, claiming the State income tax exemption for dependent children.
- The number of Iowa families, by income level, claiming the State income tax exemption for dependent children who also indicate the presence or absence of health care coverage for the dependent children.
- The number of Iowa families, by income level, claiming the State income tax exemption for dependent children who receive information from the Department and who subsequently apply for and are enrolled in the appropriate program.

## 2. Changes for Tax Year 2010 Due to SF 389 and Preparations for Tax Year 2011

In 2009, the Iowa General Assembly amended HF 2359 by passing SF 389. That legislation changed the tracking of dependent health care through the income tax return from a voluntary effort to a mandate upon taxpayers, beginning with the 2010 tax year. Under the legislation taxpayers are required to complete the questions regarding health care coverage for dependents, and those who receive letters from IDR regarding their potential eligibility for *hawk-i* are required to submit an application to DHS within 90 days.

For tax year 2010, changes were made to the IA 1040 form and instructions that notify taxpayers that completing the dependent health care coverage questions is mandatory. It was emphasized to tax preparers at IDR instructional sessions that the General Assembly has made it mandatory to provide information about health care coverage starting with tax year 2010. Non-response fell from 15.9 percent in tax year 2009 to 8.2 percent in tax year 2010.

With the increased use of the Internet by *hawk-i* applicants, paper applications were no longer included with the letters for tax year 2010. This reduced brochure costs, postage and handling costs, and staff time. The letter directed taxpayers to the *hawk-i* Web site to learn more about the potential eligibility of their children and to apply. The letter provided the *hawk-i* Customer Service toll-free phone number if taxpayers wanted to request a paper application be mailed to them.

No significant changes are planned for tax year 2011. See the Appendix for the letter that will be sent to taxpayers falling below *hawk-i* eligibility and indicating the absence of health care coverage for dependents.

### 3. Analysis of 2010 Tax Year Data

During the 2010 tax year filing season, IDR mailed 23,758 letters to taxpayers reporting the absence of health care coverage and reporting income below the maximum *hawk-i* eligibility level for the applicable family size (see Table 1).<sup>1</sup> These letters were mailed in six batches between February and September (see Table 2).

#### *Iowa Families Claiming Dependent Children*

As of November 24, 2011, 1,358,799 individual income tax returns filed by resident taxpayers for tax year 2010 were through the Department of Revenue final review. Of those, 450,492 Iowa families claimed the State income tax exemption for dependents (see Table 3). A total of 849,603 dependents were claimed by those families. Although families across the full income distribution claimed dependents, 55.8 percent reported gross income of less than \$60,000 in 2010.

#### *Iowa Families Reporting Presence or Absence of Health Care Coverage*

Ninety-one percent of families provided information on their 2010 tax returns regarding the health insurance coverage of their dependents, up from 84 percent the prior year. A total of 382,556 families (84.9%) reported only the presence of health care coverage for 727,131 dependents (85.6%) while 30,986 families (6.9%) reported the absence of health care coverage for a total of 56,638 dependents (6.7%) (see Tables 4 and 5). Some families (1.5%) reported both the presence and absence of coverage for dependents claimed on their tax returns; those families are included in the absence of health care coverage group. For tax year 2009, 73.3 percent of families reported the presence of coverage and 10.8 percent reported the absence of coverage.

Reported coverage rates for 2010 peaked for families with gross income of \$200,000 and greater at 92.1 percent. The lowest coverage rate was reported for families with income from \$20,001 to \$30,000 at 77.5 percent; however, that low rate reflects both high non-response and higher absence of coverage. Low-income families were more likely to report absence of coverage, with 12.6 percent of families with income below \$20,000 reporting absence of coverage compared to 5.0 percent of families with incomes between \$50,001 and \$60,000. Non-response rates were the greatest with families with income from \$20,001 to \$40,000.

#### *Response Rates by Filing Method*

In Iowa, taxpayers, or their paid preparers, can file a paper income tax return that is mailed to IDR or they can complete the tax return electronically and file it via the Internet. Reported rates of coverage differed significantly between these two filing methods (see Table 4). Paper filers were less likely to complete the questions. For paper filers, 73.1 percent reported the presence of coverage, 7.3 percent reported absence of coverage, and 19.7 percent did not complete the questions. For electronic filers, 86.2 percent reported presence of coverage, 6.8 percent reported absence of coverage, and 6.9 percent did not complete the questions.

#### *Response Rates by Self-Prepared versus Paid Preparers*

There was no significant difference in reporting absence of coverage between electronic filers who used a paid preparer or self-prepared their return (see Table 6). The percent of electronic filers who self-prepared their return and reported absence of health care coverage for dependents was 7.6 percent compared to 6.6 percent of electronic filers who used a paid preparer. Returns filed by paid

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<sup>1</sup> It is possible that additional children that are not dependents of the taxpayer live in the home, and thus the family size used by the Department of Human Services (DHS) to determine eligibility would be larger. However in the interest of spending tax dollars most efficiently, the only available information on family size, the count of adults and the number of dependents claimed on the tax return, was used to assign income limits for letter receipt.

preparers had a of non-response rate of 8.5 percent. These results may reflect the greater likelihood that the preparer failed to gather the necessary information from the taxpayer.

Electronic filers who self-prepared their returns had the highest response rates to the questions about dependent health care coverage with 90.2 percent of families reporting presence of coverage, 7.6 percent reporting absence of coverage, and only 2.2 percent not responding. It is possible that the tax software programs increased taxpayer awareness about these questions relative to those who filed a paper tax return. Also, because the information is being provided by the taxpayer, as opposed to a preparer, it is more likely to be correct. Unfortunately, information on whether a paper filer used a paid preparer is not readily available.

#### *Health Care Coverage by Federal Poverty Guidelines*

The counts of families are also presented by the ratio of their reported gross income to the federal poverty guidelines in 2010 (see Table 7). Medicaid coverage is available for children in families with income up to 133 percent of the federal poverty guideline. Despite the availability of public insurance, 13.3 percent of families in this income range reported the absence of coverage for one or more dependents. As income rises relative to the federal poverty guideline, presence of coverage rises while absence of coverage falls. In fiscal year 2010, the General Assembly expanded **hawk-i** eligibility to families up to 300 percent of the federal poverty guidelines.

#### **4. Effect of Requirements on Uninsured Children**

As noted in the introduction, the purpose behind HF 2539 was to increase health care coverage among Iowa's children. Families USA reported in November 2008 that 38,000 children in Iowa, 5.2 percent, were uninsured, based on data collected in 2005 through 2007 by the U.S. Census Bureau.<sup>2</sup> The data, collected as part of the annual Current Population Survey, suggests that 68 percent of children in Iowa had private coverage and 26.8 percent had public coverage. The Mid-Iowa Health Foundation, in a spring 2009 report, reported a higher number of uninsured children in Iowa, 45,000.<sup>3</sup>

DHS attempted to track the number of new children receiving health care coverage from the State in response to the efforts made with IDR. The letter encouraged taxpayers to apply online for **hawk-i** or contact DHS to request a paper application. During fiscal year 2011, over 51 percent of all **hawk-i** applications were submitted online.

As of December 31, DHS has received 140 applications for **hawk-i** that can be attributed to the IDR mailings (see Table 8). Of these:

- 52 applications were approved for **hawk-i**,
- 37 were approved for Medicaid,
- 1 is pending for **hawk-i**,
- 50 were denied.

Of those applicants denied coverage, over half were denied because they failed to provide information to DHS that was missing on their initial application or they were non-compliant with Medicaid (which in most cases means they failed to provide adequate proof of income).

Last year, 341 applications were attributed to the letters sent through the tax return tracking project. One possible reason for a lower count this year is the direction of all potential **hawk-i** applicants to the

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<sup>2</sup> "Left Behind: Iowa's Uninsured Children," Families USA, Washington, D.C., November 2008, accessed at <http://www.familiesusa.org/assets/pdfs/uninsured-kids-2008/iowa.pdf> on November 4, 2009.

<sup>3</sup> "Iowa Child Health Policy: Building on Success," Mid-Iowa Health Foundation Policy Brief, Des Moines, IA, accessed at <http://www.cfpciowa.org/uploaded/Mid%20Iowa%20Health%20brief%20for%20web.pdf> on November 2, 2010.

online application. Although applicants can indicate how they heard about the program when applying online, they often fail to do so. Therefore, it is possible more taxpayers responded to the letters than DHS was able to identify. Also, each year as more children are signed up, the pool of uninsured children should shrink.

Through the approved applications, *hawk-i* health care coverage was extended to 311 children from 89 families. This is less than the 383 children reached last year. Again, the drop in the number of children covered as a result of the tax return tracking project may reflect the shift to online applications. Of the 89 families with newly enrolled children, 21.8 percent have net income less than \$20,000 (see Table 9). Most of the children in those families were enrolled in Medicaid. An additional 32 families reported income between \$20,000 and \$30,000; 21 families of that group enrolled in *hawk-i* and 11 were enrolled in Medicaid, where family size and reported income determine program eligibility between Medicaid and *hawk-i*.

## 5. Estimated Costs

These efforts to expand health care coverage in Iowa used State resources. The cost to IDR and DHS to mail the letters and applications to taxpayers during the tax year 2010 filing season was an estimated \$10,791 (see Table 10). These costs were split between the agencies with the postage and handling costs shared 50%/50% between IDR and DHS.

Costs of the program include the administrative time required by IDR and DHS staff. IDR staff time was limited to those responsible for updating programs needed to identify eligible taxpayers (6 hours), for working with the outside vendor regarding the mailings (9 hours), and for analyzing the responses on the tax returns and compiling this report (24 hours). Administrative costs for DHS include staff time to compile data regarding taxpayer response to the letter from IDR (5 hours).

DHS reports that, excluding the cost and enrollment numbers for the tax return project, their outreach cost per new enrollee for FY 2011 was \$43.52 per person. The cost per new enrollee for the tax return project for the 2010 tax year was \$34.70. The cost is less than the \$82.80 per enrollee in tax year 2009 because fewer letters were mailed this year and the cost of mailing brochures, which was \$10,800 last year, was eliminated.



**Table 1: Medicaid and *hawk-i* Income Limits and Federal Poverty Guidelines by Family Size for 2010**

Family Size	Medicaid	<i>hawk-i</i>	Federal Poverty
1	\$14,405	\$32,490	\$10,830
2	\$19,380	\$43,710	\$14,570
3	\$24,354	\$54,930	\$18,310
4	\$29,328	\$66,150	\$22,050
5	\$34,202	\$77,370	\$25,790
6	\$39,276	\$88,590	\$29,530
7	\$44,251	\$99,810	\$33,270
8	\$49,225	\$111,030	\$37,010

Source: Medicaid and *hawk-i* income limits are the maximum eligibility amounts for families of the applicable size that were effective July 1, 2010, as specified by the Iowa Department of Human Services. Federal poverty guidelines are from the U.S. Department of Human Services.

**Table 2: IDR Mailings for Tax Year 2010 Under HF 2539**

Mailing Date	Mailed Letters
02/25/2011	9,388
03/25/2011	6,262
04/20/2011	3,177
06/01/2011	2,443
09/01/2011	2,488
Total Tax Year 2010	23,758

**Table 3: Iowa Taxpayers with a Dependent Exemption Claim,  
Tax Year 2010**

<i>All Resident Filers</i>			
<b>Gross Income</b>	<b>Count</b>	<b>Distribution</b>	<b>Cumulative Distribution</b>
<b>Less than \$20,000</b>	78,109	17.3%	17.3%
<b>\$20,001 to 30,000</b>	52,619	11.7%	29.0%
<b>\$30,001 to 40,000</b>	45,124	10.0%	39.0%
<b>\$40,001 to 50,000</b>	38,750	8.6%	47.6%
<b>\$50,001 to 60,000</b>	36,864	8.2%	55.8%
<b>\$60,001 to 70,000</b>	35,208	7.8%	63.6%
<b>\$70,001 to 80,000</b>	31,589	7.0%	70.6%
<b>\$80,001 to 90,000</b>	27,005	6.0%	76.6%
<b>\$90,001 to 100,000</b>	22,169	4.9%	81.6%
<b>\$100,001 to 125,000</b>	35,817	8.0%	89.5%
<b>\$125,001 to 150,000</b>	17,740	3.9%	93.5%
<b>\$150,001 to 175,000</b>	9,258	2.1%	95.5%
<b>\$175,001 to 200,000</b>	5,254	1.2%	96.7%
<b>\$200,001 to 250,000</b>	5,449	1.2%	97.9%
<b>\$250,001 or more</b>	9,537	2.1%	100.0%
<b>Total</b>	<b>450,492</b>	<b>100.0%</b>	<b>100.0%</b>

**Analysis Using N220 Data from Tax Year 2010  
Iowa Department of Revenue**

Notes: Families are grouped based on gross income, reported on line 15 of the Iowa 1040. Includes individual income tax returns through final review by November 24, 2011 where all amended returns and those filed by non-residents are ignored.

**Table 4: Dependent Health Care Coverage Reporting on Iowa Returns through Final Review, Tax Year 2010**

<i>All Resident Filers</i>							
Gross Income	All Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	78,109	61,435	78.7%	9,817	12.6%	6,857	8.8%
\$20,001 to 30,000	52,619	40,795	77.5%	6,263	11.9%	5,591	10.6%
\$30,001 to 40,000	45,124	36,251	80.3%	4,219	9.3%	4,654	10.3%
\$40,001 to 50,000	38,750	32,731	84.5%	2,723	7.0%	3,296	8.5%
\$50,001 to 60,000	36,864	31,926	86.6%	1,837	5.0%	3,101	8.4%
\$60,001 to 70,000	35,208	31,026	88.1%	1,492	4.2%	2,690	7.6%
\$70,001 to 80,000	31,589	28,116	89.0%	1,137	3.6%	2,336	7.4%
\$80,001 to 90,000	27,005	24,393	90.3%	804	3.0%	1,808	6.7%
\$90,001 to 100,000	22,169	20,081	90.6%	608	2.7%	1,480	6.7%
\$100,001 to 125,000	35,817	32,490	90.7%	953	2.7%	2,374	6.6%
\$125,001 to 150,000	17,740	16,201	91.3%	454	2.6%	1,085	6.1%
\$150,001 to 175,000	9,258	8,501	91.8%	235	2.5%	522	5.6%
\$175,001 to 200,000	5,254	4,804	91.4%	119	2.3%	331	6.3%
\$200,001 to 250,000	5,449	5,021	92.1%	147	2.7%	281	5.2%
\$250,001 or more	9,537	8,785	92.1%	178	1.9%	574	6.0%
<b>Total</b>	<b>450,492</b>	<b>382,556</b>	<b>84.9%</b>	<b>30,986</b>	<b>6.9%</b>	<b>36,980</b>	<b>8.2%</b>

  

<i>Paper Filers</i>							
Gross Income	All Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	5,768	3,305	57.3%	896	15.5%	1,567	27.2%
\$20,001 to 30,000	4,402	2,583	58.7%	618	14.0%	1,201	27.3%
\$30,001 to 40,000	4,327	2,807	64.9%	459	10.6%	1,061	24.5%
\$40,001 to 50,000	3,962	2,920	73.7%	305	7.7%	737	18.6%
\$50,001 to 60,000	3,854	2,923	75.8%	217	5.6%	714	18.5%
\$60,001 to 70,000	3,702	2,897	78.3%	173	4.7%	632	17.1%
\$70,001 to 80,000	3,313	2,643	79.8%	112	3.4%	558	16.8%
\$80,001 to 90,000	2,877	2,360	82.0%	97	3.4%	420	14.6%
\$90,001 to 100,000	2,459	2,037	82.8%	68	2.8%	354	14.4%
\$100,001 to 125,000	4,153	3,410	82.1%	112	2.7%	631	15.2%
\$125,001 to 150,000	2,204	1,821	82.6%	70	3.2%	313	14.2%
\$150,001 to 175,000	1,188	978	82.3%	38	3.2%	172	14.5%
\$175,001 to 200,000	659	518	78.6%	21	3.2%	120	18.2%
\$200,001 to 250,000	653	546	83.6%	19	2.9%	88	13.5%
\$250,001 or more	1,261	972	77.1%	42	3.3%	247	19.6%
<b>Total</b>	<b>44,782</b>	<b>32,720</b>	<b>73.1%</b>	<b>3,247</b>	<b>7.3%</b>	<b>8,815</b>	<b>19.7%</b>

  

<i>Electronic Filers</i>							
Gross Income	All Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	72,344	58,130	80.4%	8,921	12.3%	5,293	7.3%
\$20,001 to 30,000	48,215	38,217	79.3%	5,614	11.6%	4,384	9.1%
\$30,001 to 40,000	40,796	33,444	82.0%	3,760	9.2%	3,592	8.8%
\$40,001 to 50,000	34,790	29,811	85.7%	2,418	7.0%	2,561	7.4%
\$50,001 to 60,000	33,008	29,003	87.9%	1,619	4.9%	2,386	7.2%
\$60,001 to 70,000	31,506	28,129	89.3%	1,319	4.2%	2,058	6.5%
\$70,001 to 80,000	28,276	25,472	90.1%	1,025	3.6%	1,779	6.3%
\$80,001 to 90,000	24,128	22,033	91.3%	707	2.9%	1,388	5.8%
\$90,001 to 100,000	19,710	18,044	91.5%	540	2.7%	1,126	5.7%
\$100,001 to 125,000	31,663	29,080	91.8%	841	2.7%	1,742	5.5%
\$125,001 to 150,000	15,537	14,380	92.6%	384	2.5%	773	5.0%
\$150,001 to 175,000	8,071	7,523	93.2%	197	2.4%	351	4.3%
\$175,001 to 200,000	4,595	4,286	93.3%	98	2.1%	211	4.6%
\$200,001 to 250,000	4,795	4,475	93.3%	128	2.7%	192	4.0%
\$250,001 or more	8,276	7,813	94.4%	136	1.6%	327	4.0%
<b>Total</b>	<b>405,710</b>	<b>349,840</b>	<b>86.2%</b>	<b>27,707</b>	<b>6.8%</b>	<b>28,163</b>	<b>6.9%</b>

*Analysis Using N220 Data from Tax Year 2010*  
Iowa Department of Revenue

Notes: Families are grouped based on gross income, reported on line 15 of the Iowa 1040. A taxpayer reporting dependents with and without coverage is included only in the absence of coverage group. The numbers include individual income tax returns through final review as of April 24, 2011, where all amended returns and those filed by non-residents are ignored.

**Table 5: Counts of Dependents Reported on Iowa Returns through Final Review by Coverage, Tax Year 2010**

<i>All Resident Filers</i>								
Gross Income	All Dependents		Dependents with Presence of Coverage		Dependents with Absence of Coverage		Dependents in Families Not Responding	
	Total Dependents	Dependents	Share of Total	Dependents	Share of Total	Dependents	Share of Total	
Less than \$20,000	132,890	106,065	79.8%	16,387	12.3%	10,438	7.9%	
\$20,001 to 30,000	95,760	73,582	76.8%	11,574	12.1%	10,604	11.1%	
\$30,001 to 40,000	84,573	67,293	79.6%	8,198	9.7%	9,082	10.7%	
\$40,001 to 50,000	73,031	61,903	84.8%	5,424	7.4%	5,704	7.8%	
\$50,001 to 60,000	70,175	61,163	87.2%	3,496	5.0%	5,516	7.9%	
\$60,001 to 70,000	67,995	60,298	88.7%	2,785	4.1%	4,912	7.2%	
\$70,001 to 80,000	61,017	54,813	89.8%	2,132	3.5%	4,072	6.7%	
\$80,001 to 90,000	52,495	47,881	91.2%	1,529	2.9%	3,085	5.9%	
\$90,001 to 100,000	43,265	39,640	91.6%	1,137	2.6%	2,488	5.8%	
\$100,001 to 125,000	71,190	65,062	91.4%	1,828	2.6%	4,300	6.0%	
\$125,001 to 150,000	35,638	32,617	91.5%	860	2.4%	2,161	6.1%	
\$150,001 to 175,000	18,870	17,326	91.8%	436	2.3%	1,108	5.9%	
\$175,001 to 200,000	10,773	9,848	91.4%	228	2.1%	697	6.5%	
\$200,001 to 250,000	11,232	10,451	93.0%	267	2.4%	514	4.6%	
\$250,001 or more	20,699	19,189	92.7%	357	1.7%	1,153	5.6%	
<b>Total</b>	<b>849,603</b>	<b>727,131</b>	<b>85.6%</b>	<b>56,638</b>	<b>6.7%</b>	<b>65,834</b>	<b>7.7%</b>	

  

<i>Paper Filers</i>								
Gross Income	All Dependents		Dependents with Presence of Coverage		Dependents with Absence of Coverage		Dependents in Families Not Responding	
	Total Dependents	Dependents	Share of Total	Dependents	Share of Total	Dependents	Share of Total	
Less than \$20,000	10,464	5,648	54.0%	1,795	17.2%	3,021	28.9%	
\$20,001 to 30,000	8,710	4,706	54.0%	1,504	17.3%	2,500	28.7%	
\$30,001 to 40,000	8,545	5,312	62.2%	956	11.2%	2,277	26.6%	
\$40,001 to 50,000	7,599	5,519	72.6%	628	8.3%	1,452	19.1%	
\$50,001 to 60,000	7,424	5,669	76.4%	400	5.4%	1,355	18.3%	
\$60,001 to 70,000	7,245	5,630	77.7%	331	4.6%	1,284	17.7%	
\$70,001 to 80,000	6,515	5,268	80.9%	204	3.1%	1,043	16.0%	
\$80,001 to 90,000	5,592	4,623	82.7%	182	3.3%	787	14.1%	
\$90,001 to 100,000	4,817	4,015	83.4%	117	2.4%	685	14.2%	
\$100,001 to 125,000	8,260	6,868	83.1%	197	2.4%	1,195	14.5%	
\$125,001 to 150,000	4,326	3,592	83.0%	122	2.8%	612	14.1%	
\$150,001 to 175,000	2,364	1,909	80.8%	66	2.8%	389	16.5%	
\$175,001 to 200,000	1,322	1,030	77.9%	39	3.0%	253	19.1%	
\$200,001 to 250,000	1,318	1,121	85.1%	26	2.0%	171	13.0%	
\$250,001 or more	2,639	2,064	78.2%	84	3.2%	491	18.6%	
<b>Total</b>	<b>87,140</b>	<b>62,974</b>	<b>72.3%</b>	<b>6,651</b>	<b>7.6%</b>	<b>17,515</b>	<b>20.1%</b>	

  

<i>Electronic Filers</i>								
Gross Income	All Dependents		Dependents with Presence of Coverage		Dependents with Absence of Coverage		Dependents in Families Not Responding	
	Total Dependents	Dependents	Share of Total	Dependents	Share of Total	Dependents	Share of Total	
Less than \$20,000	122,426	100,417	82.0%	14,592	11.9%	7,417	6.1%	
\$20,001 to 30,000	87,050	68,876	79.1%	10,070	11.6%	8,104	9.3%	
\$30,001 to 40,000	76,028	61,981	81.5%	7,242	9.5%	6,805	9.0%	
\$40,001 to 50,000	65,432	56,384	86.2%	4,796	7.3%	4,252	6.5%	
\$50,001 to 60,000	62,751	55,494	88.4%	3,096	4.9%	4,161	6.6%	
\$60,001 to 70,000	60,750	54,668	90.0%	2,454	4.0%	3,628	6.0%	
\$70,001 to 80,000	54,502	49,545	90.9%	1,928	3.5%	3,029	5.6%	
\$80,001 to 90,000	46,903	43,258	92.2%	1,347	2.9%	2,298	4.9%	
\$90,001 to 100,000	38,448	35,625	92.7%	1,020	2.7%	1,803	4.7%	
\$100,001 to 125,000	62,930	58,194	92.5%	1,631	2.6%	3,105	4.9%	
\$125,001 to 150,000	31,312	29,025	92.7%	738	2.4%	1,549	4.9%	
\$150,001 to 175,000	16,506	15,417	93.4%	370	2.2%	719	4.4%	
\$175,001 to 200,000	9,451	8,818	93.3%	189	2.0%	444	4.7%	
\$200,001 to 250,000	9,914	9,330	94.1%	241	2.4%	343	3.5%	
\$250,001 or more	18,060	17,125	94.8%	273	1.5%	662	3.7%	
<b>Total</b>	<b>762,463</b>	<b>664,157</b>	<b>87.1%</b>	<b>49,987</b>	<b>6.6%</b>	<b>48,319</b>	<b>6.3%</b>	

*Analysis Using N220 Data from Tax Year 2010*  
 Iowa Department of Revenue

Notes: Families are grouped based on gross income, reported on line 15 of the Iowa 1040. Includes individual income tax returns through final review by November 24, 2011 where all amended returns and those filed by non-residents are ignored.

**Table 6: Dependent Health Care Coverage Reporting by Filing Method and Income, Tax Year 2010**

<i>Paper Filers</i>							
Gross Income	All Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	5,768	3,305	57.3%	896	15.5%	1,567	27.2%
\$20,001 to 30,000	4,402	2,583	58.7%	618	14.0%	1,201	27.3%
\$30,001 to 40,000	4,327	2,807	64.9%	459	10.6%	1,061	24.5%
\$40,001 to 50,000	3,962	2,920	73.7%	305	7.7%	737	18.6%
\$50,001 to 60,000	3,854	2,923	75.8%	217	5.6%	714	18.5%
\$60,001 to 70,000	3,702	2,897	78.3%	173	4.7%	632	17.1%
\$70,001 to 80,000	3,313	2,643	79.8%	112	3.4%	558	16.8%
\$80,001 to 90,000	2,877	2,360	82.0%	97	3.4%	420	14.6%
\$90,001 to 100,000	2,459	2,037	82.8%	68	2.8%	354	14.4%
\$100,001 to 125,000	4,153	3,410	82.1%	112	2.7%	631	15.2%
\$125,001 to 150,000	2,204	1,821	82.6%	70	3.2%	313	14.2%
\$150,001 to 175,000	1,188	978	82.3%	38	3.2%	172	14.5%
\$175,001 to 200,000	659	518	78.6%	21	3.2%	120	18.2%
\$200,001 to 250,000	653	546	83.6%	19	2.9%	88	13.5%
\$250,001 or more	1,261	972	77.1%	42	3.3%	247	19.6%
<b>Total</b>	<b>44,782</b>	<b>32,720</b>	<b>73.1%</b>	<b>3,247</b>	<b>7.3%</b>	<b>8,815</b>	<b>19.7%</b>

  

<i>Electronic Filers Self-Prepared</i>							
Gross Income	All Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	18,139	14,791	81.5%	2,815	15.5%	533	2.9%
\$20,001 to 30,000	11,781	9,848	83.6%	1,546	13.1%	387	3.3%
\$30,001 to 40,000	9,662	8,383	86.8%	997	10.3%	282	2.9%
\$40,001 to 50,000	8,091	7,251	89.6%	629	7.8%	211	2.6%
\$50,001 to 60,000	7,513	6,957	92.6%	384	5.1%	172	2.3%
\$60,001 to 70,000	7,356	6,930	94.2%	295	4.0%	131	1.8%
\$70,001 to 80,000	7,034	6,719	95.5%	214	3.0%	101	1.4%
\$80,001 to 90,000	6,269	6,033	96.2%	162	2.6%	74	1.2%
\$90,001 to 100,000	5,471	5,258	96.1%	139	2.5%	74	1.4%
\$100,001 to 125,000	9,293	8,941	96.2%	220	2.4%	132	1.4%
\$125,001 to 150,000	4,818	4,620	95.9%	128	2.7%	70	1.5%
\$150,001 to 175,000	2,347	2,262	96.4%	54	2.3%	31	1.3%
\$175,001 to 200,000	1,183	1,142	96.5%	25	2.1%	16	1.4%
\$200,001 to 250,000	1,007	966	95.9%	30	3.0%	11	1.1%
\$250,001 or more	954	907	95.1%	38	4.0%	9	0.9%
<b>Total</b>	<b>100,918</b>	<b>91,008</b>	<b>90.2%</b>	<b>7,676</b>	<b>7.6%</b>	<b>2,234</b>	<b>2.2%</b>

  

<i>Electronic Filers Paid Preparer</i>							
Gross Income	All Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	54,205	43,339	80.0%	6,106	11.3%	4,760	8.8%
\$20,001 to 30,000	36,434	28,363	77.8%	4,068	11.2%	4,003	11.0%
\$30,001 to 40,000	31,134	25,061	80.5%	2,763	8.9%	3,310	10.6%
\$40,001 to 50,000	26,699	22,560	84.5%	1,789	6.7%	2,350	8.8%
\$50,001 to 60,000	25,495	22,046	86.5%	1,235	4.8%	2,214	8.7%
\$60,001 to 70,000	24,150	21,199	87.8%	1,024	4.2%	1,927	8.0%
\$70,001 to 80,000	21,242	18,753	88.3%	811	3.8%	1,678	7.9%
\$80,001 to 90,000	17,859	16,000	89.6%	545	3.1%	1,314	7.4%
\$90,001 to 100,000	14,239	12,786	89.8%	401	2.8%	1,052	7.4%
\$100,001 to 125,000	22,370	20,139	90.0%	621	2.8%	1,610	7.2%
\$125,001 to 150,000	10,719	9,760	91.1%	256	2.4%	703	6.6%
\$150,001 to 175,000	5,724	5,261	91.9%	143	2.5%	320	5.6%
\$175,001 to 200,000	3,412	3,144	92.1%	73	2.1%	195	5.7%
\$200,001 to 250,000	3,788	3,509	92.6%	98	2.6%	181	4.8%
\$250,001 or more	7,322	6,906	94.3%	98	1.3%	318	4.3%
<b>Total</b>	<b>304,792</b>	<b>258,826</b>	<b>84.9%</b>	<b>20,031</b>	<b>6.6%</b>	<b>25,935</b>	<b>8.5%</b>

*Analysis Using N220 Data from Tax Year 2010  
Iowa Department of Revenue*

Notes: Families are grouped based on gross income, reported on line 15 of the Iowa 1040. A taxpayer reporting dependents with and without coverage is included only in the absence of coverage group. The numbers include individual income tax returns through final review as of November 24, 2011, where all amended returns and those filed by non-residents are ignored.

**Table 7: Dependent Health Care Coverage Reporting on Iowa Returns through Final Review by Federal Poverty Level, Tax Year 2010**

<i>All Resident Filers</i>							
Gross Income	All Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Participating	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than 133% FPL	105,155	81,488	77.5%	13,964	13.3%	9,305	8.8%
133-200% FPL	65,662	53,321	81.2%	6,278	9.6%	6,064	9.2%
200-300% FPL	86,212	74,188	86.1%	4,875	5.7%	7,149	8.3%
300+% FPL	193,461	173,589	89.7%	5,839	3.0%	14,062	7.3%
<b>Total</b>	450,490	382,586	84.9%	30,956	6.9%	36,580	8.1%

  

<i>Paper Filers</i>							
Gross Income	All Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Participating	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than 133% FPL	8,457	4,669	55.2%	1,428	16.9%	2,363	27.9%
133-200% FPL	5,727	3,869	67.6%	591	10.3%	1,267	22.1%
200-300% FPL	8,691	6,587	75.8%	497	5.7%	1,608	18.5%
300+% FPL	21,901	17,596	80.3%	731	3.3%	3,577	16.3%
<b>Total</b>	44,776 9.9%	32,721	73.1%	3,247	7.3%	8,815	19.7%

  

<i>Electronic Filers</i>							
Gross Income	All Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Participating	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than 133% FPL	96,698	76,819	79.4%	12,536	13.0%	7,342	7.6%
133-200% FPL	59,935	49,452	82.5%	5,687	9.5%	4,797	8.0%
200-300% FPL	77,521	67,601	87.2%	4,378	5.6%	5,541	7.1%
300+% FPL	171,560	155,964	90.9%	5,108	3.0%	10,485	6.1%
<b>Total</b>	405,714 90.1%	349,836	86.2%	27,709	6.8%	28,165	6.9%

**Analysis Using N220 Data from Tax Year 2010**  
**Iowa Department of Revenue**

Note: Because a family could report both dependents with and without coverage, the total of families reporting presence of coverage, families reporting absence of coverage, and families not participating exceeds the count of all families.

N220 produced November 24, 2011 where all amended returns and those filed by non-residents are ignored.

**Table 8: Taxpayer Response to Receipt of hawk-i Application, Tax Year 2010**

Letters Mailed to Taxpayers	23,758			
		Percent of Letters	Percent of Submitted Applications	Percent of Denied Applications
<b>Applications submitted</b>	140	0.59%		
Applications approved for hawk-i	52	0.22%	37.14%	Total: 179 children
Applications approved for Medicaid	37	0.16%	26.43%	Total: 132 children
Applications pending	1	0.00%	0.71%	
Applications denied	50		35.71%	
<b>Reason for Denial</b>				
Missing information not received	27	0.11%	19.29%	32.14%
Non-compliant with Medicaid	17	0.07%	12.14%	20.24%
Income exceeded limits	5	0.02%	3.57%	5.95%
Child did not live with applicant	1	0.00%	0.71%	1.19%

Source: Letter Counts were tracked by IDR; applications were tracked by an outside vendor for DHS where numbers reflect tracking through December 31, 2011. Applications attributed to IDR mailings based on applicant using the available check box for how the applicant heard about *hawk-i*. Applicants applying online may have failed to indicate IDR as their information source, and thus the application would not be included in these counts.

**Table 9: Newly Enrolled Iowa Families by Income, Tax Year 2010**

Gross Income	New Enrolled Families			
	Total Count	Share of Total	hawk-i	Medicaid
Less than \$20,000	25	28.1%	2	23
\$20,001 to 30,000	32	36.0%	21	11
\$30,001 to 40,000	15	16.9%	13	2
\$40,001 to 50,000	9	10.1%	8	1
\$50,001 to 60,000	4	4.5%	4	0
\$60,001 to 70,000	4	4.5%	4	0
\$70,001 to 80,000	0	0.0%	0	0
\$80,001 to 90,000	0	0.0%	0	0
\$90,001 to 100,000	0	0.0%	0	0
\$100,001 to 125,000	0	0.0%	0	0
\$125,001 to 150,000	0	0.0%	0	0
\$150,001 to 175,000	0	0.0%	0	0
\$175,001 to 200,000	0	0.0%	0	0
\$200,001 to 250,000	0	0.0%	0	0
\$250,001 or more	0	0.0%	0	0
<b>Total</b>	<b>89</b>	<b>100.0%</b>	<b>52</b>	<b>37</b>

Notes: Information on newly enrolled families provided by DHS. Gross income is defined by DHS.

**Table 10: HF 2539 Program Costs For Tax Year 2010 Filing Season**

Component	Total Cost	Average Cost per Letter	Average Cost per Enrollee
Envelopes	\$428	\$0.02	\$1.38
Handling	\$2,670	\$0.11	\$8.59
Postage	\$5,801	\$0.24	\$18.65
Staff Time	\$1,892	\$0.08	\$6.08
<b>Total</b>	<b>\$10,791</b>	<b>\$0.45</b>	<b>\$34.70</b>

Notes: Staff time includes estimates of the cost to the State for employees' time at both IDR and DHS.



## **Appendix to the Report on Dependent Health Care in Iowa**

Includes:

Tax Year 2010 Iowa Individual Income Tax Form 1040

Sample TY 2011 cover letter

# 2010 IA 1040 Iowa Individual Income Tax Long Form

or fiscal year beginning \_\_\_/\_\_\_/2010 and ending \_\_\_/\_\_\_/\_\_\_

**STEP 1: Attach your booklet label below and enter your Social Security Number(s).**

Fill in all information below.

<input type="checkbox"/> Check this box if you or your spouse were 65 or older as of 12/31/10.	
Your Social Security Number ●	Spouse Social Security Number ●
Residence on 12/31/10 County No. ● School District No. ●	
<b>You must answer these questions</b> Dependent children for whom an exemption is claimed in Step 3 How many have health care coverage? _____ ● (including Medicaid or hawk-i) How many do not have health care coverage? _____ ●	

**STEP 2 Filing Status: Mark one box only.**

1	Single: Were you claimed as a dependent on another person's Iowa return? <input type="checkbox"/> YES <input type="checkbox"/> NO ▲
2	Married filing a joint return. (Two-income families may benefit by using status 3 or 4.)
3	Married filing separately on this combined return. Spouse use column B.
4	Married filing separate returns. Spouse's name: _____ SSN: _____ Income: \$ _____
5	Head of household with qualifying person. If qualifying person is not claimed as a dependent on this return, enter the person's name and Social Security Number below.
6	Qualifying widow(er) with dependent child. Name: _____ SSN: _____

**STEP 3 Exemptions**

<b>YOU</b> (and spouse if filing jointly)	a. <b>Personal Credit:</b> Enter 1. (Enter 2 if filing joint or head of household.) _____ ▲ X \$ <u>40</u> = \$ _____
	b. Enter 1 for each person who is <b>65 or older</b> and/or 1 for each person who is <b>blind</b> . _____ ▲ X \$ <u>20</u> = \$ _____
	c. <b>Dependents:</b> Enter 1 for each dependent. _____ ▲ X \$ <u>40</u> = \$ _____
	d. Enter first names of dependents here: _____ e. <b>TOTAL \$</b> _____
<b>SPOUSE</b> (if filing status 3)	a. <b>Personal Credit:</b> Enter 1. _____ ▲ X \$ <u>40</u> = \$ _____
	b. Enter 1 if <b>65 or older</b> and/or 1 if <b>blind</b> . _____ ▲ X \$ <u>20</u> = \$ _____
	c. <b>Dependents:</b> Enter 1 for each dependent. _____ ▲ X \$ <u>40</u> = \$ _____
	d. Enter first names of dependents here: _____ e. <b>TOTAL \$</b> _____

		B. Spouse/Status 3	A. You or Joint	B. Spouse/Status 3	A. You or Joint
<b>STEP 4</b>	1. Wages, salaries, tips, etc. ....	1. _____ .00	_____ .00		
	2. Taxable interest income. If more than \$1,500, complete Sch. B. ....	2. _____ .00	_____ .00		
<b>Gross Income</b>	3. Ordinary dividend income. If more than \$1,500, complete Sch. B. ....	3. _____ .00	_____ .00		
	4. Alimony received .....	4. _____ .00	_____ .00		
	5. Business income/(loss) from federal Schedule C or C-EZ .....	5. _____ .00	_____ .00		
	6. Capital gain/(loss) from federal Sch. D if required for federal purposes .	6. _____ .00	_____ .00		
	7. Other gains/(losses) from federal form 4797 .....	7. _____ .00	_____ .00		
	8. Taxable IRA distributions .....	8. _____ .00	_____ .00		
	9. Taxable pensions and annuities .....	9. _____ .00	_____ .00		
	10. Rents, royalties, partnerships, estates, etc. ....	10. _____ .00	_____ .00		
	11. Farm income/(loss) from federal Schedule F .....	11. _____ .00	_____ .00		
	12. Unemployment compensation. See instructions. ....	12. _____ .00	_____ .00		
	13. Taxable Social Security benefits .....	13. _____ .00 ▲	_____ .00		
	14. Other income, gambling income, bonus depreciation/section 179 adjustment ...	14. _____ .00	_____ .00		
	15. <b>GROSS INCOME.</b> ADD lines 1-14. ....	15. _____ .00 ▲	_____ .00		
<b>STEP 5</b>	16. Payments to an IRA, Keogh, or SEP .....	16. _____ .00	_____ .00		
	17. One-half of self-employment tax .....	17. _____ .00	_____ .00		
<b>Adjustments to Income</b>	18. Health insurance deduction .....	18. _____ .00	_____ .00		
	19. Penalty on early withdrawal of savings .....	19. _____ .00	_____ .00		
	20. Alimony paid .....	20. _____ .00	_____ .00		
	21. Pension/retirement income exclusion .....	21. _____ .00 ▲	_____ .00		
	22. Moving expense deduction from federal form 3903 .....	22. _____ .00	_____ .00		
	23. Iowa capital gain deduction. ....	23. _____ .00 ▲	_____ .00		
	24. Other adjustments .....	24. _____ .00	_____ .00		
	25. Total adjustments. ADD lines 16-24. ....	25. _____ .00 ▲	_____ .00		
	26. <b>NET INCOME.</b> SUBTRACT line 25 from line 15. ....	26. _____ .00 ▲	_____ .00		
<b>STEP 6</b>	27. Federal income tax refund / overpayment received in 2010 .....	27. _____ .00 ▲	_____ .00		
	28. Self-employment/household employment taxes .....	28. _____ .00 ▲	_____ .00		
<b>Federal Tax Addition and Deduction</b>	29. Addition for federal taxes. ADD lines 27 and 28. ....	29. _____ .00	_____ .00		
	30. Total. ADD lines 26 and 29. ....	30. _____ .00	_____ .00		
	31. Federal tax withheld .....	31. _____ .00 ▲	_____ .00		
	32. Federal estimated tax payments made in 2010 .....	32. _____ .00 ▲	_____ .00		
	33. Additional federal tax paid in 2010 for 2009 and prior years .....	33. _____ .00 ▲	_____ .00		
	34. Deduction for federal taxes. ADD lines 31, 32, and 33. ....	34. _____ .00	_____ .00		
	35. <b>BALANCE.</b> SUBTRACT line 34 from line 30. Enter here and on line 36, side 2. ....	35. _____ .00	_____ .00		

Staple W-2s, payment, and voucher here.

**STEP 7** 36. BALANCE. From side 1, line 35 ..... 36. \_\_\_\_\_ .00 \_\_\_\_\_ .00

37. Total itemized deductions from federal Schedule A ..... 37. \_\_\_\_\_ .00 \_\_\_\_\_ .00  
 Taxpayers with bonus depreciation/section 179 must use Iowa Schedule A.

38. Iowa income tax if included in line 5 of federal Schedule A ..... 38. \_\_\_\_\_ .00 \_\_\_\_\_ .00

39. BALANCE. Subtract line 38 from line 37 or enter the ..... 39. \_\_\_\_\_ .00 \_\_\_\_\_ .00  
 amount of itemized deductions from the Iowa Schedule A.

40. Other deductions ..... 40. \_\_\_\_\_ .00 \_\_\_\_\_ .00

41. Deduction. Check one box.  Itemized. Add lines 39 and 40.  Standard ..... 41. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

42. **TAXABLE INCOME.** SUBTRACT line 41 from line 36. .... 42. \_\_\_\_\_ .00 \_\_\_\_\_ .00

} Complete lines 37-40 ONLY if you itemize.

**STEP 8** 43. Tax from tables or alternate tax ..... 43. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

44. Iowa lump-sum tax. 25% of federal tax from form 4972 ..... 44. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

45. Iowa minimum tax. Attach IA 6251. .... 45. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

46. Total tax. ADD lines 43, 44, and 45. .... 46. \_\_\_\_\_ .00 \_\_\_\_\_ .00

47. Total exemption credit amount(s) from Step 3, side 1 ..... 47. \_\_\_\_\_ .00 \_\_\_\_\_ .00

48. Tuition and textbook credit for dependents K-12 ..... 48. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

49. Total credits. ADD lines 47 and 48. .... 49. \_\_\_\_\_ .00 \_\_\_\_\_ .00

50. BALANCE. SUBTRACT line 49 from line 46. If less than zero, enter zero. .... 50. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

51. Credit for nonresident or part-year resident. Attach IA 126 and federal return. .... 51. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

52. BALANCE. SUBTRACT line 51 from line 50. If less than or equal to zero, enter zero. .... 52. \_\_\_\_\_ .00 \_\_\_\_\_ .00

53. Other nonrefundable Iowa credits. Attach IA 148 Tax Credits Schedule. .... 53. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

54. BALANCE. SUBTRACT line 53 from line 52. .... 54. \_\_\_\_\_ .00 \_\_\_\_\_ .00

55. School district surtax/EMS surtax. Take percentage from table; multiply by line 54. .... 55. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

56. Total Tax. ADD lines 54 and 55. .... 56. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

57. Total tax before contributions. ADD columns A & B on line 56 and enter here. .... 57. \_\_\_\_\_ .00

58. Contributions. Contributions will reduce your refund or add to the amount you owe. Amounts must be in whole dollars.  
 Fish/Wildlife 58a: ▲ \_\_\_\_\_ StateFair 58b: ▲ \_\_\_\_\_ Firefighters/Veterans 58c: ▲ \_\_\_\_\_ Child Abuse Prevention 58d: ▲ \_\_\_\_\_ Enter total. .... 58. \_\_\_\_\_ .00

59. **TOTAL TAX AND CONTRIBUTIONS.** ADD lines 57 and 58. .... 59. \_\_\_\_\_ .00

60. Iowa income tax withheld ..... 60. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

**STEP 9** 61. Estimated and voucher payments made for tax year 2010 ..... 61. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

62. Out-of-state tax credit. Attach IA 130. .... 62. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

63. Motor fuel tax credit. Attach IA 4136. .... 63. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

64. Check One:  Child and dependent care credit OR  
 Early childhood development credit ..... 64. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

65. Iowa earned income tax credit. See Instructions. .... 65. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

66. Other refundable credits. Attach IA 148 Tax Credits Schedule. .... 66. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

67. TOTAL. ADD lines 60 - 66. .... 67. \_\_\_\_\_ .00 \_\_\_\_\_ .00

68. **TOTAL CREDITS.** ADD columns A and B on line 67 and enter here. .... 68. \_\_\_\_\_ .00

**STEP 10** 69. If line 68 is more than line 59, SUBTRACT line 59 from line 68. This is the amount you overpaid. .... 69. ▲ \_\_\_\_\_ .00

70. Amount of line 69 to be **REFUNDED** ..... REFUND 70. ▲ \_\_\_\_\_ .00  
**Mail return to Iowa Income Tax - Refund Processing, Hoover State Office Bldg, Des Moines IA 50319-0120**

71. Amount of line 69 to be **applied to your 2011 estimated tax** ..... 71. \_\_\_\_\_ .00 ▲ \_\_\_\_\_ .00

72. If line 68 is less than line 59, SUBTRACT line 68 from line 59. This is the AMOUNT OF TAX YOU OWE. .... 72. ▲ \_\_\_\_\_ .00

73. Penalty for underpayment of estimated tax from IA 2210 or IA 2210F  Check if annualized income method is used. .... 73. ▲ \_\_\_\_\_ .00

74. Penalty and interest ..... 74a. Penalty \_\_\_\_\_ .00 ▲ 74b. Interest \_\_\_\_\_ .00 ▲ ADD Enter total 74. \_\_\_\_\_ .00

75. **TOTAL AMOUNT DUE.** ADD lines 72, 73, and 74, and enter here. .... PAY THIS AMOUNT 75. ▲ \_\_\_\_\_ .00  
**Electronically pay by credit card or direct debit. Go to www.state.ia.us/tax/**  
**To pay by mail: Iowa Income Tax - Document Processing, PO Box 9187, Des Moines IA 50306-9187. Make check payable to Treasurer, State of Iowa.**

**STEP 11 POLITICAL CHECKOFF.** This checkoff does not increase the amount of tax you owe or decrease your refund.

SPOUSE		▲	YOURSELF	
\$1.50 to Republican Party	<input type="checkbox"/>		\$1.50 to Republican Party	<input type="checkbox"/>
\$1.50 to Democratic Party	<input type="checkbox"/>		\$1.50 to Democratic Party	<input type="checkbox"/>
\$1.50 to Campaign Fund	<input type="checkbox"/>		\$1.50 to Campaign Fund	<input type="checkbox"/>

**STEP 12 NEXT YEAR,**  
 Would you like to receive a booklet? This option is not available to electronic filers.

0.  Yes  
 ▲ 1.  No

**Mailing Addresses:**  
 See lines 70 and 75 above.

**STEP 13**

**PLEASE SIGN HERE**

I (We), the undersigned, declare under penalty of perjury that I (we) have examined this return, including all accompanying schedules and statements, and, to the best of my (our) knowledge and belief, it is a true, correct, and complete return. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

_____ Your Signature	_____ Date	_____ Preparer's Signature	_____ Date
_____ Spouse's Signature	_____ Date	_____ Address	
_____ Daytime Telephone Number		_____ Daytime Telephone Number	_____ Identification Number

**SIGN HERE**

**SIGN HERE**

- Verify your Social Security Number(s)
- Recheck your math
- Attach all W-2s



## Iowa Department of Revenue

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DATE

TAXPAYER NAME  
ADDRESS 1  
ADDRESS 2

On your 2011 Iowa income tax return, you indicated you have one or more children who do not have health care coverage. Children without health care coverage may be eligible to receive health care coverage from the State of Iowa through the Medicaid program or the *hawk-i* (Healthy and Well Kids in Iowa) program.

### **Are my children eligible?**

The Iowa Department of Human Services will make this determination.

### **Where do I find more information?**

Visit [www.hawk-i.org](http://www.hawk-i.org) for information on *hawk-i* or contact *hawk-i* Customer Service at 1-800-257-8563.

### **What must I do to apply?**

If you believe one or more children are eligible for health care coverage under either the Medicaid or *hawk-i* program, within 90 days you must complete the online application available at [www.hawk-i.org](http://www.hawk-i.org). You can also request a paper application by calling *hawk-i* Customer Service at 1-800-257-8563.

Mail the completed application to Hawk-i Program, PO Box 71336, Des Moines IA 50325-9958.

When completing the online or paper application, please indicate that you heard about *hawk-i* from the State income tax form.

### **What if I have questions?**

If you have any questions, please contact *hawk-i* Customer Service at 1-800-257-8563.