

Pursuant to Iowa Code chapter 450 the tax rates are as follows:

- If the net estate of the decedent, found on line 5 of IA 706, is less than \$25,000, the tax is zero. Even if no tax is due, a return may still be required to be filed. See IA 706 instructions.
- For deaths on or after January 1, 1988, the surviving spouse’s share is not subject to tax.
- For deaths on or after July 1, 1997, no tax is due on the following shares: Parents, grandparents, great-grandparents, children, stepchildren, grandchildren, great-grandchildren, and other lineal ascendants and lineal descendants, which includes descendants by adoption.
- Effective July 1, 2003, a stepchild is the child of a person who was married to the decedent at the time of the decedent’s death, or the child of a person to whom the decedent was married, which person died during the marriage to the decedent, as defined in Iowa Code section 450.1(1)(e).
- Effective for decedents dying on or after July 1, 2016, no tax is due on the shares of lineal descendants of a stepchild, including descendants by adoption.
- For decedents dying on or after January 1, 2024, but before January 1, 2025, the applicable tax rates listed in Iowa Code section 450.10(1)-(4) are reduced by 80%. The applicable tax rate will be reduced an additional 20% for the following year. For deaths occurring on or after January 1, 2025, no inheritance tax will be imposed.

NOTE: The tax rates listed below have already been reduced by the applicable rate reduction and should be used in the computation of shares for each beneficiary of the inheritance tax owed.

TAX RATE B

Brother, sister (including half-brother, half-sister), son-in-law, and daughter-in-law.

Over	But Not Over	Tax is	Of Excess Over
\$0	\$12,500	1.00%	\$0
12,500	25,000	\$125 + 1.20%	12,500
25,000	75,000	\$275 + 1.40%	25,000
75,000	100,000	\$975 + 1.60%	75,000
100,000	150,000	1,375 + 1.80%	100,000
150,000	and up	2,275 + 2.00%	150,000

TAX RATE C

Uncle, aunt, niece, nephew, foster child, cousin, brother-in-law, sister-in-law, and all other individual persons.

Over	But Not Over	Tax is	Of Excess Over
\$0	\$50,000	2.00%	\$0
50,000	100,000	\$1,000 + 2.40%	50,000
100,000	and up	2,200 + 3.00%	100,000

TAX RATE D

A firm, corporation, or society organized for profit, including an organization failing to qualify as a charitable, educational, or religious organization, to include social and fraternal organizations that do not qualify under Internal Revenue Code (IRC) 170(c) or 2055.

3.00% of the share.

TAX RATE E

A charitable, educational, or religious organization, organized under the law of any other state, territory, province, or country, and bequests for religious services in excess of \$500.00.

2.00% of the share.

TAX RATE F

Unknown heirs: heirs whose identity or place of residency cannot be ascertained with reasonable certainty.

1.00% of the share.

TAX RATE G

A charitable, religious, educational, or other organization as defined in sections 170(c) and 2055 of the IRC. All other shares to income tax exempt organizations must provide their IRS letter of determination. Organizations may be required to provide evidence that the bequest has restricted the funds to a conforming activity.

Public libraries, public art galleries, hospitals, humane societies, municipal corporations, and bequests for care of cemetery or burial lots of the decedent or the decedent’s family, as well as bequests for religious services not to exceed \$500.00 in total.

Entirely Exempt: No Tax