

Name(s): _____

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

Pass-through entity (if applicable): _____

Pass-through FEIN: _____ Tax period ending date: _____

Tax credit certificate number for 260E agreement with a community college: _____

If you claimed the New Jobs Tax Credit under this agreement in a prior tax year, you are NOT eligible to claim it again for the same new jobs.

Part I - Eligibility for New Jobs Tax Credit

- 1. Base employment level at the location with the 260E agreement 1. _____
2. Number of new jobs directly resulting from the project covered by the agreement for which the tax credit is being claimed. Enter number from line A1 of Schedule A 2. _____
3. Number of new jobs directly related to the jobs in line 2 for which the tax credit is being claimed. Enter number from line B1 of Schedule B 3. _____
4. Total new jobs claimed. Add lines 2 and 3. If partial jobs were reported, round down to the nearest whole number 4. _____
5. Total employment level in the current tax year at the location with the 260E agreement 5. _____
6. Total employment gain at the location with the 260E agreement. Subtract line 1 from line 5 6. _____
7. Total eligible new jobs. Enter the smaller of line 4 or line 6 7. _____
8. Increased employment percentage. Divide line 7 by line 1 and round to three decimals (e.g., 10.3%). If line 1 equals zero, report 10.0%. If this number is less than 10.0%, you are not eligible for the New Jobs Tax Credit for this tax year; do not claim this tax credit 8. _____ %

Part II - Calculation of the New Jobs Tax Credit

- 9. Qualifying taxable wages for new jobs for which the tax credit is being claimed in tax year 2024. Add total qualifying taxable wages from line A2 of Schedule A and line B2 of Schedule B 9. _____
10. New Jobs Tax Credit. Multiply line 9 by the tax credit rate of 6% (.06). See Where to Report This Tax Credit in instructions 10. _____

Part III - Pass-Through New Jobs Tax Credit

- 11. Pass-Through New Jobs Tax Credit from partnership, limited liability company (LLC), S corporation, estate or trust. See Where to Report This Tax Credit in instructions 11. _____

Include this form with your return.



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What's new for Tax Year 2024

Line 12 (carryforward of New Jobs Tax Credit) has been removed. If you are only reporting a carryforward of a New Jobs Tax Credit from tax year 2023, you are no longer required to complete the IA 133. Track and report your carryforward amount directly on the IA 148 Tax Credits Schedule.

About the Iowa New Jobs Tax Credit

A New Jobs Tax Credit can be claimed by a taxpayer who has entered into an Iowa Industrial New Jobs Training (260E) agreement with a community college and who has increased employment over the base employment level by at least 10.0%. The tax credit can be claimed in any tax year that either begins or ends during the term of the 260E agreement. However, the tax credit may not be taken until the base employment level has been exceeded by at least 10.0%. In the case of a taxpayer without a base employment level, the tax credit can be claimed for all eligible new jobs for the tax year selected by the taxpayer. The tax credit can only be claimed once for each new job. Base employment level means the number of full-time jobs a business employs at the location covered by the 260E agreement on the date of the agreement. The number of full-time jobs is the total number of full-time equivalent jobs where part-time jobs are expressed as a share of a full-time job as explained in the instructions for Column E of Schedules A and B.

In determining if the taxpayer has increased employment over the base employment level by at least 10.0%, only those new jobs directly resulting from the project covered by the agreement and those directly related to those new jobs are eligible. New jobs directly resulting from a project do not include jobs of recalled workers or replacement jobs or other jobs that formerly existed in the state. New jobs directly related to the new jobs resulting from the project means those jobs that directly support the new jobs. However, those new jobs do not include an in-state employee transferred to a position that would be considered a new job directly related to the new jobs resulting from the project unless the transferred employee's vacant position is filled by a new employee. The burden of proof that a new job is directly related to the new jobs resulting from the project is on the taxpayer.

Example: A taxpayer who has entered into a chapter 260E agreement to train new employees for a new product line transfers an in-state

employee to be foreperson of the new product line and fills the transferred employee's position with a new employee. The new foreperson's position would be considered a job directly related to new jobs because it directly supports the new jobs and the transferred employee's old position was filled by a new employee.

Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following 10 tax years or until depleted, whichever is earlier.

A separate IA 133 must be completed for each different 260E agreement under which a New Jobs Tax Credit is claimed.

Pass-Through Entities - Allocation of Tax Credit

If the business is a pass-through entity (partnership, LLC, S corporation, estate, or trust), the tax credit is allocated to the members. The tax credit allocation must be in the ratio of each member's share of the earnings of the entity to the entity's total earnings. Special allocations are not permitted. The pass-through entity must file the completed IA 133 with its return and report the tax credit to the Department and members as instructed (see Where to Report This Tax Credit).

Schedules A and B New Jobs Details

Schedules A and B must be completed to demonstrate eligibility for the New Jobs Tax Credit. In Schedule A, provide the name, Social Security Number (SSN), and job title for employees in the new jobs directly resulting from the project covered by the agreement. In Schedule B, provide the name, SSN, and job title for employees in the new jobs directly related to the new jobs reported in Schedule A. Complete multiple schedules if more lines are needed. Also, report total wages paid to each employee during tax year 2024 in column D. Column E equals the employee's share of hours toward a full-time job based on the average number of hours worked each week. Enter 1 if the average was 35 hours or more; enter .75 if the average was 25 hours or more but under 35 hours; enter .5 if the average was 15 hours or more but under 25 hours; enter .25 if the average was under 15 hours. If the employee worked full-time and was only in the job for a portion of the year, enter the share of months. For example, enter .5 if the employee worked 6 months; enter .83 if the employee worked 10 months.

If the employee worked part-time for a portion of the year, multiply the two pro-rated numbers and round to the nearest one-hundredth of a percent (0.01). Column F equals qualifying taxable wages for the employees in jobs for which the taxpayer is claiming the New Jobs Tax Credit this tax year. Enter the lesser of column D or \$38,200 multiplied by the hours share in column E to calculate qualifying taxable wages in column F. If the taxpayer claimed a tax credit for the job of the listed employee in a prior tax year, leave column F blank. If the taxpayer chooses to not claim a tax credit this tax year for the job of a listed employee, leave column F blank.

On lines A1 and B1 of each respective schedule, total column E, including partial jobs, for that schedule. On lines A2 and B2 of each respective schedule, total column F for that schedule. Enter line A1 of Schedule A on line 2 of the IA 133. Enter line B1 of Schedule B on line 3 of the IA 133. Add lines A2 and B2 of Schedules A and B and enter that sum in line 9 of the IA 133.

2024 IA 133 Line Instructions

Provide your name, SSN or Federal Employer Identification Number (FEIN), and tax period ending date. Also, report the tax credit certificate issued with the 260E agreement.

Line 2: Number of new jobs claimed

Report the number of new jobs on line A1 of Schedule A on the IA 133; include additional schedules if more than 15 employees. Report the sum with partial jobs if applicable.

Line 3: Number of jobs directly related to the new jobs claimed

Report the number of jobs directly related to the new jobs on line B1 of Schedule B on the IA 133; include additional schedules if more than six employees. Report the sum with partial jobs if applicable.

Line 4: Total new jobs claimed

Add lines 2 and 3. If partial jobs were reported, round down to the nearest whole number. The credit can only be claimed for full-time jobs or the aggregation of part-time jobs that equal a full-time job.

Line 5: Total employment level in the current tax year at the location with the 260E agreement

Your total employment level is the number of full-time equivalent jobs the business employs at the location covered by the 260E agreement on the last day of your tax year. The number of full-time

jobs is the total number of full-time equivalent jobs where part-time jobs are expressed as a share of a full-time job as explained in the instructions for Column E of Schedules A and B.

Line 9: Qualifying taxable wages

For 2024, qualifying taxable wages are the first \$38,200 paid to employees in new jobs or in jobs directly related to those new jobs, prorated by the average hours worked. For 2024, \$38,200 is the amount of taxable wages on which an employer is required to pay unemployment taxes.

Line 10: New Jobs Tax Credit

Multiply line 9 by 6% (.06). This is your New Jobs Tax Credit. See Where to Report This Tax Credit.

Line 11: Pass-through New Jobs Tax Credit

If the taxpayer has received any pass-through New Jobs Tax Credit from a pass-through entity, report that amount on this line. If the taxpayer is only reporting a pass-through New Jobs Tax Credit, skip lines 1 through 10. File a separate IA 133 for each pass-through New Jobs Tax Credit received and provide the required information regarding the pass-through entity. See Where to Report This Tax Credit.

Include this form and the IA 148 with your IA1040, IA 1041, or IA 1120.

Include this form with your IA 1065 or IA 1120S.

Where to report this tax credit:

| Iowa form: | Enter amounts from lines 10 or 11 on: | Additional instructions: |
|--|--|--|
| 1040 | IA 148 Tax Credits Schedule | <ul style="list-style-type: none"> Report line 10 and 11 amounts on the IA 148, Part I, Column D, using tax credit code 08 and the tax credit certificate number issued with the 260E agreement. List each tax credit claim earned or received separately. For line 11 amounts from another pass-through entity, report required information about the pass-through entity on the IA 148, Part IV. List each pass-through tax credit claim separately. |
| 1120 | | |
| 1041 (amounts claimed at entity level) | | |
| 1041 (amounts allocated to beneficiaries) | IA 1041 Schedule K-1 | <ul style="list-style-type: none"> Report the allocated share of line 10 and 11 amounts on each beneficiary's IA 1041 Schedule K-1 using tax credit code 08 and the tax credit certificate number issued with the 260E agreement. List each tax credit claim earned or received separately. Instruct beneficiaries to report their allocated tax credit on line 11 of the IA 133 and include the IA 133 with their tax return. |
| 1065 | IA 1065 Schedule B and IA 1065 Schedule K-1 | <ul style="list-style-type: none"> Report line 10 and 11 amounts on the IA 1065 Schedule B as earned by the entity (line 10) or received from another pass-through entity (line 11) and use tax credit code 08 and the tax credit certificate number issued with the 260E agreement. Also, report each member's allocated share of the tax credit on the IA 1065 Schedule K-1 using tax credit code 08 and the tax credit certificate number issued with the 260E agreement. List each tax credit claim earned or received separately on Schedule B and Schedule K-1. Instruct members to report their allocated tax credit on line 11 of the IA 133 and include the IA 133 with their tax return. |
| 1120S | IA 1120S Schedule B and IA 1120S Schedule K-1 | <ul style="list-style-type: none"> Report line 10 and 11 amounts on the IA 1120S Schedule B as earned by the entity (line 10) or received from another pass-through entity (line 11) and use tax credit code 08 and the tax credit certificate number issued with the 260E agreement. Also, report each member's allocated share of the tax credit on the IA 1120S Schedule K-1 using tax credit code 08 and the tax credit certificate number issued with the 260E agreement. List each tax credit claim earned or received separately on Schedule B and Schedule K-1. Instruct members to report their allocated tax credit on line 11 of the IA 133 and include the IA 133 with their tax return. |