

Name(s)
▶

Social Security Number (SSN) or
Federal Employer Identification Number (FEIN)
▶

Tax Period End Date
▶
M M D D Y Y Y Y

Before you complete this form, read the instructions. **A copy of this form and supporting documentation should be retained for as long as adjustments are applicable. This form is for reporting carryforward and other adjustments resulting from 2018 and 2019 nonconformity with the Internal Revenue Code (IRC).** Not all adjustments will apply to all taxpayers, or to all tax types. Individuals note that certain adjustments have already been made elsewhere on the IA 1040. Individual taxpayers with adjustments on the lines noted should enter zero as instructed when completing this form to account for changes already made on the IA 1040.

Part I: Nonconformity Adjustments

Amounts may be positive or negative.
Use Dollars and Cents.

1. Contributions to capital.....	▶ 1		
2. Like-kind exchanges.....	▶ 2		
3. Limitation on business interest expenses, TY 2019 only (see instructions).....	▶ 3		
	▶ 3a		
	▶ 3b		
4. Charitable contribution limitations (Individuals: enter 0).....	▶ 4		
5. Treatment of S-Corp charitable contributions for certain ESBT shareholders.....	▶ 5		
6. Limitation on excess farm losses	▶ 6		
7. Qualified equity grants.....	▶ 7		
8. Capitalization rules	▶ 8		
9. Qualified opportunity zones.....	▶ 9		
10. Basis limitation on partnership losses	▶ 10		
11. Sales or transfers involving 10-percent owned foreign corporations.....	▶ 11		
12. Other adjustments.....	▶ 12		
13. Total nonconformity adjustments. Add lines 1-12	▶ 13		



SSN or FEIN

▶

Part II: Accumulated IA 101 Nonconformity Adjustments

Keep a copy of this form for your records. You will need the information from this chart to complete this form for future years. Part II of this form is only to be used for tracking carryforward issues resulting from Iowa's 2018 nonconformity. Any nonconformity adjustments resulting from Iowa's nonconformity with the federal CARES Act interest expense limitation in tax year 2019 (amounts entered on line 3a) should not be used when completing Part II.

	A	B	C	D
	2018 Nonconformity adjustment amount	IA 101 Nonconformity adjustments claimed in prior years	Current year IA 101 nonconformity adjustment	Amount remaining as adjustments for future years on IA 101 (A-B-C=D)
a. Contributions to capital ▶	▶	▶	▶	▶
b. Limitations on business interest expense (TY 2019 only) ▶	▶	▶	▶	▶
c. S-Corp charitable contributions for ESBT shareholders ▶	▶	▶	▶	▶
d. Qualified equity grants ▶	▶	▶	▶	▶
e. Capitalization rules ▶	▶	▶	▶	▶
f. Qualified opportunity zones ▶	▶	▶	▶	▶
g. Basis limitation on partnership losses ▶	▶	▶	▶	▶

Include this form with your return.



IA 101 Instructions, page 1

This form was updated on July 10, 2020, to reflect certain nonconformity adjustments in tax year 2019 and later resulting from the Taxpayer Certainty and Disaster Relief Act of 2019 (Public Law 116-94), and the Coronavirus Aid, Relief, and Economic Security “CARES” Act of 2020 (Public Law 116-136). It was further updated in September 2020, to reflect Iowa’s nonconformity with the IRC section 163(j) interest expense limitation for tax years 2020 and later, and in February 2021 to reflect nonconformity adjustments related to certain retroactive provisions of the Consolidated Appropriations Act (CAA), 2021 (Public Law 116-260).

Purpose of Form

This form provides for common adjustments to Iowa net income that may be necessary in tax years 2019 and later resulting from the following:

1. Carryover adjustments resulting from Iowa’s 2018 nonconformity with federal law. Do not use this form to report carryover adjustments from tax year 2018 if you did not file an Iowa return in 2018.
2. An Iowa like-kind exchange election in tax year 2019.
3. Certain nonconformity adjustments in tax year 2019 resulting from Iowa’s nonconformity with the Taxpayer Certainty and Disaster Relief Act of 2019 (Public Law 116-94), CARES Act of 2020 (Public Law 116-136), and the CAA, 2021 (Public Law 116-260).

Include this form with your tax return if you enter any adjustment on Part I, lines 1-12.

For tax year 2018, Iowa generally conformed with the Internal Revenue Code (IRC) in effect on January 1, 2015. This meant that, with a few limited exceptions, Iowa did not conform with changes to the IRC included in Public Law 114-113 (PATH Act), Public Law 115-97 (TCJA), Public Law 115-123 (Bipartisan Budget Act of 2018), Public Law 115-141 (Consolidated Appropriations Act of 2018), Public Law 116-94 (Taxpayer Certainty and Disaster Relief Act), or Public Law 116-136 (CARES Act) for tax years beginning on or after January 1, 2018, and before January 1, 2019. See 2018 Iowa Acts, Senate File 2417, sec. 63 for a complete list of provisions of the TCJA with which Iowa did conform for 2018.

For tax years beginning on or after January 1, 2019,

but before January 1, 2020, Iowa generally conforms with the IRC in effect on March 24, 2018. This meant that, with few limited exceptions, Iowa did not conform with changes to the IRC included in Public Law 116-94 (Taxpayer Certainty and Disaster Relief Act), Public Law 116-136 (CARES Act), or Public Law 116-260 (CAA 2021). For tax years beginning on or after January 1, 2020, Iowa has adopted what is commonly referred to as “rolling conformity” and generally conforms with the most recent version of the IRC.

However, as a result of Iowa’s nonconformity for 2018 and 2019, certain adjustments to Iowa income may be needed in 2019 and subsequent years.

This form may be used by taxpayers filing IA 1120, IA 1120F, IA 1120S, IA 1065, IA 1040 and IA 1041. Individual income tax (IA 1040) filers should note that the adjustment for charitable contribution carryforwards on line 4 of this form must be accounted for on IA 1040, Schedule A. Individual income taxpayers should enter zero on line 4 when completing this form.

For all tax types, differences between Iowa and federal depreciation and § 179 expensing are accounted for on the IA 4562A and B, and are not entered on this form.

Part I Instructions

Line 1: Contributions to capital - Certain contributions to the capital of a corporation by a governmental entity or civic group made during tax year 2018 were required to be included in the corporation’s 2018 gross income for federal purposes, but were treated as a tax-free contribution to capital for Iowa purposes. This adjustment was reported on line 1 of the 2018 Nonconformity Adjustments Worksheet. When the property is disposed of, the corporation will need to apply the basis rules for capital contributions under IRC § 362(c) and reduce the corporation’s basis for Iowa tax purposes in any such property received or purchased with property received in 2018 from a governmental entity or civic group by the amount on line 1 of the 2018 Nonconformity Adjustments Worksheet. Adjust the amount of gain or loss on that property accordingly and enter any adjustment here in the year you dispose of the property. It is possible that not all adjustments will be taken in the same year if different properties acquired through 2018 contributions are disposed of at different times. Use Part II of this form to track your adjustments over multiple years. The cumulative amount of positive adjustments on this line for all tax

IA 101 Instructions, page 2

years cannot exceed the amount subtracted on line 1 of the 2018 Iowa Nonconformity Worksheet (Part II, row a, Column A).

Line 2: Like-kind exchanges - See IA8824 Worksheet, line 25 and enter the gain or loss adjustment from that line here. This may also require adjustments on the IA 4562A and B.

Line 3: Limitation on business interest expenses (TY 2019 only)

Line 3 equals the sum of line 3a and 3b.
No adjustment is allowed on this line for tax years beginning on or after January 1, 2020.

Line 3a instructions: Line 3a only applies to taxpayers other than partnerships. Partnerships completing an IA 1065 should enter zero on this line.

Iowa did not conform with the increase from 30% to 50% of a taxpayer's (other than a partnership's) adjusted taxable income (ATI) used in calculating the IRC § 163(j) deduction for tax year 2019 as enacted in the CARES Act. Taxpayers that did not elect or were not eligible to use the increased 50% ATI limitation in computing their 2019 IRC § 163(j) deduction should enter zero on this line.

If, for tax year 2019, you calculated your IRC § 163(j) limitation for federal tax purposes using 50% of your ATI, either before or after you filed your original Iowa tax return, you must recalculate your IRC § 163(j) deduction for Iowa tax purposes using 30% of your ATI. This recalculation must be done by first completing a pro forma 2019 federal form 8990 for Iowa tax purposes, with the appropriate amount entered on line 26 equaling your ATI multiplied by 30% (.30). Next, complete the worksheet below:

Tax year 2019 Interest Expense CARES Act Nonconformity Adjustment Worksheet:

1. Enter the amount from your 2019 federal 8990, line 30, completed for federal purposes using 50% of your ATI. _____
2. Enter the amount from your pro forma federal 8990, line 30, completed for Iowa tax purposes using 30% of your ATI. _____
3. Subtract line 2 from line 1 of this worksheet. Enter that amount here. _____

If you filed your 2019 Iowa return prior to the CARES

Act using the 30% limitation, and later amended your 2019 federal return to take advantage of the increased 50% limitation, an amended 2019 Iowa return is **not** required to report this difference. However, if you do file an amended 2019 Iowa return for other reasons, you should **not** report the adjustment from line 3 of the worksheet on the IA 101, line 3a. Keep this worksheet for your records, as you will need it in computing your 2020 Iowa return.

If you are filing your original 2019 Iowa return after enactment of the CARES Act and your Iowa return incorporates the increased 50% limitation you used for federal purposes, report the nonconformity adjustment from line 3 of the worksheet on the IA 101, line 3a.

Keep this worksheet and the pro forma federal 8990 you completed for Iowa purposes. You are responsible for providing documentation at the Department's request to prove your eligibility for a carryforward adjustment in future years.

Line 3b instructions: For tax year 2018, Iowa did not conform with the business interest expense limitation in IRC § 163(j), which imposed a limitation on the business interest expense deduction but allowed taxpayers to carry forward the disallowed amount. For tax year 2018, Iowa allowed a full deduction for business interest expenses that were disallowed for federal purposes under IRC § 163(j). The adjustment for this full deduction was reported on the 2018 Nonconformity Adjustments Worksheet, line 3, or on the IA 1040, line 14, code "u".

For tax years 2019 and thereafter, Iowa requires taxpayers to add back the amount that was deducted for Iowa purposes in 2018 to the extent that amount is included as a federal carryforward amount from 2018 and deducted for federal purposes in the current year. See the following instructions on how to calculate the amount for line 3.

First complete Part II, row b, Columns A and B of this form using the instructions for Part II, then complete the "Tax Year 2019 Interest Expense Carryforward Adjustment Worksheet" below.

IA 101 Instructions, page 3

Tax Year 2019 Interest Expense Carryforward Adjustment Worksheet:

1. _____ Enter the amount from your 2019 federal form 8990, line 5.
2. _____ Enter the sum of the amounts from your 2019 federal form 8990, line 2 and line 3.
3. _____ Subtract line 2 from line 1 of this worksheet. Enter that amount here.
4. _____ Enter the amount from your 2019 federal form 8990, line 30, as calculated using the 30% ATI limitation (use your pro forma 2019 federal 8990 if necessary).
5. _____ Subtract line 3 from line 4 of this worksheet. If zero or less, **STOP**, you do not have a current year Iowa business interest expense adjustment to enter on your IA 101, line 3b. If greater than zero enter here and continue to line 6 of this worksheet.
6. _____ Enter the amount from Part II, row b, Column A of **this** IA 101.
7. _____ Enter the lesser of the amount on line 5 or line 6 of this worksheet here. This is your 2019 Iowa business interest expense carryforward adjustment. Also enter this amount on Part I, line 3b of this form.

The total amount entered on line 3 equals the sum of lines 3a and 3b. No adjustment is allowed on line 3 for tax years beginning on or after January 1, 2020.

Line 4: Charitable contribution limitations (IA 1120 and IA 1120F filers only).

Individuals: Enter zero and account for this adjustment on IA 1040, Schedule A.

For tax year 2018 only, Iowa did not conform with the federal repeal of the charitable deduction for college athletic event seating rights under § 13704 of the TCJA. If you made such a charitable contribution in 2018 and it was not otherwise limited by your contribution percentage limitation under IRC § 170(b), it was deducted on line 11 of the 2018 Nonconformity Adjustments Worksheet. However, if the allowable deduction was instead limited and not deductible for Iowa tax purposes in 2018, you may recalculate your Iowa contribution carryforward amount under IRC § 170(d) for tax years 2019-2023 to include the amount of that 2018 contribution otherwise allowable for Iowa tax purposes.

Also, for tax year 2018 only, Iowa did not conform with the temporary suspension under § 20104 of the

Bipartisan Budget Act of 2018 of charitable contribution limitations for certain contributions made for California wildfire relief efforts. To the extent you made one of these qualifying contributions but it caused you to exceed your contribution percentage limitation under IRC § 170(b) in tax year 2018, the amount of the excess was added back on line 11 of the 2018 Nonconformity Adjustments Worksheet. If you included such an add back in tax year 2018, you may recalculate your Iowa contribution carryforward amount under IRC § 170(d) for tax years 2019-2023 to include the amount added back on line 11 of the 2018 Nonconformity Adjustments Worksheet.

To the extent the recalculation of your Iowa contribution carryforward to include either of the amounts described above increases your current year charitable contribution deduction, enter that deduction here. No adjustment shall be made on this line for tax year 2024 or later.

Line 5: Treatment of S-Corp charitable contributions for certain Electing Small Business Trust (ESBT) shareholders

ESBTs only: Enter as a positive adjustment on this line the amount of any charitable contribution deduction carryforward allowed as a deduction for federal purposes this year, which you were already allowed to deduct for Iowa tax purposes on the 2018 Nonconformity Adjustments Worksheet, line 12, due to Iowa's nonconformity.

It is possible that not all ESBT charitable contribution adjustments on this line due to 2018 nonconformity will be taken in the same year. If you do not claim your entire federal carryforward attributable to this 2018 Iowa nonconformity deduction for federal tax purposes in one year, use Part II of this form to track your adjustments over multiple years. The cumulative positive adjustments entered on this line for all years shall not exceed the amount subtracted on line 12 of the 2018 Iowa Nonconformity Adjustments Worksheet (IA 101 Part II, row c, Column A).

Line 6: Limitation on excess farm losses

For tax year 2018, the limitation on excess farm losses for noncorporate taxpayers in IRC § 461(j) still applied for Iowa tax purposes. This means that you may have a carryforward of excess farm losses as described in IRC § 461(j)(2) for Iowa purposes from tax year 2018 to tax year 2019, even though you had no such carryforward

IA 101 Instructions, page 4

for federal purposes. Noncorporate taxpayers were instructed, on the Iowa 1040, to calculate their 2018 excess farm loss limitation (and carryforward amount to 2019) using the 2017 federal schedule F excess farm loss worksheets and to add the disallowed amount back on their 2018 IA 1040, line 14, using code "m". Enter the allowable amount of your carryforward to 2019 on the IA 101, line 6. The deduction entered on this line may not exceed the amount of carryforward generated for Iowa purposes in tax year 2018 under IRC § 461(j) and previously added back.

No deduction is allowed on this line for tax year 2020 or later.

Line 7: Qualified equity grants

Employees: Enter as a negative adjustment the amount of income, if any, included on your federal return that is attributable to qualified stock for which you made the election in IRC § 83(i) in tax year 2018. This adjustment applies only if you made an IRC § 83(i) election in 2018 and had to include the stock as income on your 2018 Nonconformity Adjustments Worksheet. If you made an IRC § 83(i) election in 2019 or any later year, or made the election in 2018 but did not file an Iowa return for that year, no adjustment should be made on this line. The amount entered on this line may not exceed the amount of income you included on line 14 of the 2018 Nonconformity Adjustments Worksheet for the stock you are including in federal income this year.

Employers: Enter, as a positive adjustment, the amount of any deduction you were allowed in the current year for income attributable to qualified stock for which your employee made an IRC § 83(i) election in tax year 2018, and for which you were allowed an Iowa, but not a federal, deduction in 2018 due to Iowa's nonconformity with IRC § 83(i) for that year. The positive adjustment entered on this line should equal the amount you deducted on line 14 of the 2018 Iowa Nonconformity Adjustments Worksheet for the employee(s) and the stock(s) for which you are allowed a federal deduction this year.

It is possible that adjustments on this line due to 2018 nonconformity will need to be taken over multiple years if the deferred income from 2018 is included in the employees' federal income in different years. If not all adjustments attributable to Qualified Equity Grants from 2018 are made in one year, use Part II of this form to track your adjustments over multiple years. The cumulative adjustments entered on this line for all of

the years in which you have an adjustment on this line shall not exceed the amount you entered on the 2018 Nonconformity Adjustments Worksheet, line 14 (IA 101 Part II, row d, Column A).

Line 8: Capitalization rules

Certain amounts of interest expense incurred in the aging process of beer, wine, or distilled spirits and of replanting costs incurred in the replanting of citrus plants lost by reason of casualty as provided in IRC § 263A(d)(2)(C) were allowed as a deduction for federal purposes but not for Iowa purposes in 2018.

Enter these amounts as a negative adjustment on line 8 in the year or years in which you dispose of the property for which the 2018 federal deduction was allowed. You may only deduct amounts attributable to property which you actually disposed of in any given year, so it may take more than one year to recover all costs entered on the 2018 Iowa Nonconformity Adjustments Worksheet, line 15. The cumulative amounts entered on this line for all years may not exceed the amount you entered on the 2018 Iowa Nonconformity Adjustments Worksheet, line 15 for a given asset. Use IA 101, Part II to track your allowable deductions for this line over time. The cumulative adjustments entered on this line for all years shall not exceed the amount you entered on the 2018 Nonconformity Adjustments Worksheet, line 15 (IA 101, Part II, row e, Column A).

Line 9: Qualified opportunity zones

If you made an investment of capital gains in a federal qualified opportunity fund in tax year 2018 that qualified for deferral from inclusion in federal taxable income under IRC § 1400Z-2, and that capital gain income was added back for Iowa tax purposes on your 2018 Nonconformity Adjustments Worksheet, line 17, you are allowed a subtraction for Iowa tax purposes during the tax year the capital gains are ultimately included in federal taxable income.

This subtraction is equal to the total amount of the previously-deferred capital gains that are included in federal taxable income, not to exceed the amount previously included on your 2018 Nonconformity Adjustments Worksheet, line 17.

It is possible that the total adjustment will be subtracted over several years if the capital gain is recognized in different years for federal purposes. Use Part II of this form to track your adjustments over multiple years. The

cumulative amount of negative adjustments on this line for all tax years cannot exceed the amount added back on the 2018 Iowa Nonconformity Worksheet, line 17 (Part II, row f, Column A).

No adjustment is allowed on this line for tax years beginning on or after January 1, 2027.

Line 10: Basis limitation on partnership losses

For tax year 2018 Iowa did not require partners to include charitable contributions or foreign taxes in the partners' loss limitation calculation as described in IRC § 704(d)(3)(A). As a result, the partners may have been allowed a larger partnership loss deduction in 2018 for Iowa purposes than for federal purposes, and therefore have less carryforward to deduct in 2019 and subsequent tax years. Enter as a positive adjustment on this line any amount that was allowed as a 2018 deduction for Iowa purposes on the 2018 Nonconformity Adjustments Worksheet, line 19, but for federal purposes was disallowed in 2018, carried forward, and deducted this year.

It may take several years for the partner to add back all amounts that were deductible for Iowa purposes but disallowed and carried forward for federal purposes as a result of this provision. Use Part II of this form to track your adjustments over multiple years. The cumulative amount of positive adjustments on this line for all tax years cannot exceed the amount subtracted on the 2018 Nonconformity Worksheet, line 19 (IA 101 Part II, row g, Column A).

Line 11: Sales or transfers involving 10-percent owned foreign corporations

If you are required to adjust your basis in a specified 10-percent owned foreign corporation under IRC § 961(d) and part of that basis adjustment includes a reduction in basis for an IRC § 245A deduction taken for federal purposes, but not allowed for Iowa purposes in tax year 2018, you may add back the amount of that 2018 federal § 245A deduction to your basis for purposes of calculating your Iowa loss in the year of the stock disposition. Your basis adjustment may not exceed the amount you entered on the 2018 Nonconformity Adjustments Worksheet, line 28 that was attributable to your ownership in the corporation for which you are disposing of stock in the current year.

Line 12: Other adjustments

Attach a supporting schedule explaining the adjustment amount(s) entered on this line. Enter on this line any adjustments to taxable income resulting from carryforward issues related to 2018 nonconformity not included elsewhere. This may include adjustments for federal limitations triggered by recalculated federal taxable income. Also enter certain adjustments to taxable income resulting from 2019 nonconformity to the Taxpayer Certainty and Disaster Tax Relief Act of 2019 (Public Law 116-94), the CARES Act of 2020 (Public Law 116-136), or the Consolidated Appropriations Act (CAA), 2021 (Public Law 116-260).

The Taxpayer Certainty and Disaster Tax Relief Act of 2019 nonconformity adjustments reported on this line include but are not limited to the exclusion from gross income of discharged principal residence indebtedness, empowerment zone tax incentives, energy efficient commercial buildings deduction, qualified electric utilities sales to implement Federal Energy Regulatory Commission (FERC) or state electric restructuring policy, tax-favored withdrawals from retirement plans, recontributions of retirement account withdrawals for home purchases, and loans from qualified plans. For more information, see the Department's nonconformity guidance on the Taxpayer Certainty and Disaster Tax Relief Act of 2019, available on the Department's website.

The CARES Act nonconformity adjustments reported on this line include the limitation on excess business losses. For more information, see the Department's nonconformity guidance on the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, available on the Department's website.

The CAA, 2021 nonconformity adjustments reported on this line include adjustments for qualified disaster relief charitable contributions by corporations. For more information, see the Department's nonconformity guidance on the Federal Consolidated Appropriations Act of 2021, available on the Department's website.

IA 101 Instructions, page 6

Line 13: Total

Total lines 1-12. Enter the results in the appropriate place on your Iowa tax return, as provided in the chart below.

Iowa Form:	Enter positive amounts from line 13 on:	Enter negative amounts from line 13 on:
1040	Other income, Schedule 1, line 11, column A, code x (2023 and later) Other income, line 14, code x (2022 and earlier)	Other income, Schedule 1, line 11, column B, code x (2023 and later) Other income, line 14, code x (2022 and earlier)
1041	Other income, Schedule A, Part I, line 4 (2022 and later) Other income, line 8 (2021 and earlier)	Other deductions, Schedule A, Part II, line 6 (2022 and later) Other income, line 8 (2021 and earlier)
1065	Schedule A, line 12 (2022 and later) Part III, line 3 (2021 and earlier)	Schedule A, line 12 (2022 and later) Part III, line 6 (2021 and earlier)
1120	Schedule A, line 15	Schedule A, line 15
1120S	Schedule A, line 12 (2022 and later) Part III, line 3 (2021 and earlier)	Schedule A, line 12 (2022 and later) Part III, line 7 (2021 and earlier)
1120F	Schedule A, line 9 (2023 and later) Schedule A, line 6 (2022 and earlier)	Schedule A, line 9 (2023 and later) Schedule D, line 7 (2022 and earlier)

Part II: Accumulated IA 101 nonconformity adjustments

Part II of this form was created to assist taxpayers in calculating the remaining amount of nonconformity adjustments which may be required on Part I of this form in future tax years.

Part II is intended to track cumulative adjustments over time. In order to ensure all calculations in Part II are accurate, all entries in Part II should be entered as positive amounts, even if the adjustment in Part I was negative (a deduction).

Column A: 2018 nonconformity adjustment amount

Generally, insert on rows a-g the amount of the 2018 nonconformity adjustment reported. This amount may have been a negative adjustment in 2018, if this is the case, enter that figure as a positive amount here. The amounts in Column A should be the same each year you use this form.

Row a: Contributions to capital

Insert the amount reported on your 2018 Nonconformity Adjustments Worksheet, line 1. This amount should have been a negative adjustment in 2018, but enter that figure as a positive amount here.

Row b: Limitations on business interest expense (TY 2019 only)

Insert the amount of your 2018 nonconformity adjustment attributable to the business interest expense limitation. This amount should have been a negative adjustment in 2018, but enter that figure as a positive amount here.

For individuals, this will be the sum of the amount you entered on your 2018 IA 1040, line 14, code "u", and the amounts shown on all 2019 IA 1065 Schedules K-1, line 17 that you received.

For entities taxed as partnerships, this will be the sum of the amounts shown on all 2019 IA 1065 Schedules K-1, line 17 that you received as a partner in another partnership, but should not include the amount that you entered on your 2018 Nonconformity Adjustments Worksheet, line 3 and reported to your partners on the partners' 2019 IA 1065 K-1s, line 17.

For all other taxpayers, this will be the sum of the amount you entered on your 2018 Nonconformity Adjustments Worksheet, line 3 and the amounts shown on all 2019 IA 1065 Schedules K-1, line 17 that you received as a partner in another partnership.

If you received a 2018 IA 1065 Schedule K-1 from a partnership but did not receive a 2019 IA 1065 Schedule K-1 from that partnership, contact that partnership and request information on your share of the partnership's 2018 business interest expense adjustment, if any, that would have been included on the 2019 IA 1065 Schedule K-1, line 17. **CAUTION:** For partnerships, the amount entered in Column A should not exceed, but may be less than, the sum of the amounts listed in your 2018 federal form 8990, Schedule A, column (c). For all other taxpayers, the amount entered in Column

IA 101 Instructions, page 7

A should not exceed, but may be less than, the sum of your 2018 federal form 8990, line 31, plus the sum of the amounts listed in your 2018 federal form 8990, Schedule A, column (c).

Row c: S-Corporation charitable contributions for ESBT Shareholders

Insert the amount from your 2018 Nonconformity Adjustment Worksheet, line 12. This amount should have been a negative adjustment in 2018, but enter that figure as a positive amount here.

Row d: Qualified equity grants

Insert the amount from your 2018 Nonconformity Adjustments Worksheet, line 14. The amount may have been either a positive (employee) or negative (employer) adjustment in 2018. Always enter that figure as a positive amount in Part II.

Row e: Capitalization rules

Insert the amount from your 2018 Nonconformity Adjustments Worksheet, line 15. This should be a positive amount.

Row f: Qualified opportunity zones

Insert the amount from your 2018 Nonconformity Adjustments Worksheet, line 17. This should be a positive amount.

Row g: Basis limitation on partnership losses

Insert the amount from your 2018 Nonconformity Adjustments Worksheet, line 19. This amount should have been a negative adjustment in 2018, but enter that figure as a positive amount here.

Column B: IA 101 adjustments claimed in prior years

Report in Column B the sum of the amounts, by appropriate row category, you entered on your IA 101 for all prior years (beginning in tax year 2019). This should equal the sum of Part II, Column B and Column C from your most recently filed prior year IA 101. For the first tax year that you file an IA 101, these amounts should be zero. If Column B is equal to Column A you have no current or future Column C adjustments. The amount in Column B can never exceed the amount in Column A.

Column C: Current year IA 101 nonconformity adjustment

Enter the amount reported on Part I by appropriate row category for the current tax year. The amount in Column C should always be entered as a positive number, even if you made a negative adjustment for the corresponding line in Part I.

Row b: Limitations on business interest expense

Enter only the amount from Part I, line 3b in Column C, row b. Do not include the amount from Part I, line 3a or line 3 (unless the amount on line 3 is the same as the amount on 3b) in Part II of this form, as this will result in an incorrect calculation of the carryforward amount to tax year 2020.

Column D: Amount remaining as adjustment for future years on IA 101

Column D will equal the amount reported in Column A, less the amount reported in Column B, less the amount reported in Column C. This amount can never be negative.

For rows a, b, c, and g this is the amount you have remaining to add back in future years.

For rows e and f, this is the amount you have remaining to deduct in future years.

For row b, once you have completed the 2020 IA 163A Interest Expense Carryover Adjustment in tax year 2020, the amount in Column D should be 0 for 2020 and all subsequent tax years.

For row d, if you had a 2018 adjustment because you were an employee who was required to include a deferred federal amount for Iowa purposes, this is the amount you have remaining to deduct in future years. If you were an employer who was allowed a deduction in 2018 because your employee was not allowed to defer recognition of qualifying stocks, this is the amount you have remaining to add back in future years.