

IA 1120 and IA 1120F filers use this worksheet to calculate your late filing penalty if you have zero tax due and are filing after the due date for the return. See instructions for your tax type. Retain this worksheet for your records.

All corporations and financial institutions doing business in Iowa, or deriving income from sources within Iowa, are required to timely file an annual Iowa income tax return. There is no Iowa filing threshold for business entities, so even entities with zero tax due, including entities claiming the protections of Public Law 86-272 in this state, are subject to these filing requirements. Corporations (other than S-corporations) and all financial institutions subject to the franchise tax that are doing business in Iowa or deriving income from sources within Iowa, that have no tax due, and are filing their annual corporate income or franchise tax return after the due date, must use this worksheet to calculate their late filing penalty.

- |   |          |
|---|----------|
| 1. Iowa-source net income. See instructions .....   | 1. _____ |
| 2. Imputed Iowa tax for penalty purposes.....   | 2. _____ |
| 3. Iowa tax credits .....   | 3. _____ |
| 4. Imputed Iowa tax liability for penalty purposes. Subtract line 3 from line 2.<br>If less than \$0, enter \$0 ..... | 4. _____ |
| 5. Multiply line 4 by 5% (.05). Enter the lesser of that amount or \$25,000 .....                                     | 5. _____ |
| 6. Late filing penalty. Enter the greater of line 5 or \$200 .....  | 6. _____ |

### Tax Type-Specific Instructions

#### IA 1120 Filer Instructions

- Line 1: Enter Iowa income subject to tax from IA 1120, line 13
- Line 2: Multiply line 1 by 7.1% (.071)
- Line 3: Enter total credits from IA 1120, line 15
- Line 6: Enter this amount on IA 1120, line 21

#### IA 1120F Filer Instructions

- Line 1: Enter Iowa income subject to tax from IA 1120F, line 10
- Line 2: Multiply line 1 by 4.1% (.041)
- Line 3: Enter total credits from IA 1120F, line 12 and line 14.
- Line 6: Enter this amount on IA 1120F, line 19