IOWA
Department of Revenue

2025 Iowa Alternate Tax Worksheet

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You may owe less tax by completing the worksheet below. All filing statuses except filing status 1, Single, may qualify for the alternate tax computation. Single taxpayers may be eligible for the Iowa income tax reduction; see Iowa Income Tax Reduction Worksheet (41-146).

If you are using the alternate tax calculation on IA 1040 in lieu of the tax rate calculation, check the box in IA 1040, Step 5.

Special instructions for filing status 3, Married Filing Separately:

- The combined Iowa taxable incomes of both spouses must be used.
- The alternate tax between spouses must be prorated in the ratio of the Iowa taxable income of each spouse to the combined Iowa taxable income of both spouses using lines 7-11.
- If you are married filing separately and one spouse has a Net Operating Loss (NOL) that will be carried forward, then you cannot use the alternate tax computation. If the spouse with the NOL elects not to carry the NOL forward, then you can use the alternate tax computation. A statement must be included with the return saying that the spouse with the NOL will not carry it forward.
- If you are using filing status 3 and do not provide the other spouse's income on the IA 1040, Step 2, you will not be allowed the alternate tax calculation.

1. Enter:		B. Spouse	A. You or Joint
a. Iowa taxable income from IA 1040, line 4	a.		
b. Itemized/standard deduction from federal form 1040, line 12e	b.		
c. Personal exemption deduction allowed for federal purposes	c.		
d. QBI deduction from federal form 1040, line 13a	d.		
e. NOL carryover from IA 1040, Schedule 1, line 17, column B	e.		
f. Lump sum distributions of taxable income reported on federal form 4972, line 8	f.		
g. Add lines 1a through 1f	g.		
Total of line g, columns A and B	1.		
2. Enter $13,500 ($32,000 if you or your spouse was 65 or older on 12/31/2025)	2.		
3. Income subject to alternate tax calculation. Subtract line 2 from line 1	3.		
4. Multiply line 3 by 4.3% (.043)	4.		
5. Multiply Iowa taxable income from IA 1040, line 4 by 3.8% (.038). (Status 3 filers: Calculate tax separately and combine the amounts)	5.		
6. Compare the amounts on line 4 and line 5. Enter the smaller amount. If using filing statuses 2, 4, or 5, also enter on IA 1040, line 5. If using filing status 3 and line 4 is less than line 5, continue to line 7. If using filing status 3 and line 5 is less than line 4, then enter each spouse's tax from the tax rate calculation on IA 1040, line 5	6.		
		B. Spouse	A. You
7. Iowa taxable income of both spouses from line 1g above	7b. / 7a.		
8. Total adjusted Iowa taxable income, add lines 7a and 7b	8.		
9. Divide the amount on line 7a by the amount on line 8. Round to the nearest tenth of a percent (65.2%)	9.		%
10. Multiply line 6 by the percentage on line 9. Enter here and on IA 1040, line 5	(You) 10.		
11. Subtract line 10 from line 6. Enter here and on IA 1040, line 5 of your spouse's return	(Spouse) 11.		