

Name(s): _____ Social Security Number: _____

This form is only used for installment sales occurring prior to January 1, 2023.**Part I: Details of Sale**

1. Did the sale occur prior to January 1, 2023?
No ☐Sale is not eligible for Iowa capital gain deduction. Stop.
Yes ☐Continue to Part I, line 2
2. Is the capital gain from an installment sale?
No ☐Sale is not eligible for Iowa capital gain deduction. Stop.
Yes ☐Enter the installment sale information:
 - a. Start date (MM/DD/YYYY): _____
 - b. End date (MM/DD/YYYY): _____
 - c. Total capital gain to be received by taxpayer over the life of the installment sale\$ _____
 - d. Total capital gain deduction claimed in prior years\$ _____
 - e. Capital gain received by the taxpayer in the current tax year\$ _____

Part II: Sale of Timber

1. Timber address (include a general description of the location): _____

2. Ownership period
 - a. Date acquired 2a. _____
 - b. Date sold..... 2b. _____
3. Length of holding period. Years 3a. _____ Months 3b. _____
4. Explain how the buyer intends to use the timber: _____
5. Was the gain from the sale of timber reported under IRC section 1231?
No ☐Sale is not eligible for Iowa capital gain deduction. Stop.
Yes ☐Continue to Part III, line 1

Part III: Details of Timber Sold Excluding Land Value

1. Is the capital gain from a C corporation?
No ☐Continue to Part III, line 3
Yes ☐Continue to Part III, line 2
2. Was the capital gain recognized under IRC 331 or IRC 338?
No ☐Sale is not eligible for Iowa capital gain deduction. Stop.
Yes ☐Continue to Part III, line 3
3. Are you the sole owner of this property? Married filers, see instructions.
No ☐Continue to Part III, line 4
Yes ☐Enter 100% on Part III, line 4
4. Enter taxpayer's ownership percentage of the total property sold to the nearest one tenth of one percent (for example 65.2%) 4. _____ %
5. Provide all other owner name(s): _____



6. How did the taxpayer acquire the property? (check all that apply)
- ☐ Inheritance
- ☐ Raised
- ☐ Like-kind (IRC 1031) Exchange
- ☐ Purchase
- ☐ Gift
- ☐ Other (Explain): _____
7. Provide all buyer name(s): _____

8. Iowa capital gain deduction. Enter the amount of the taxpayer's capital gain deduction from Part I, line 2e here and include on IA 1040 Schedule 1, line 16..... 8. \$ _____



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Instructions for 2025 IA 100D – Iowa Capital Gain Deduction Sale of Timber

Recent Changes: The IA 100D should only be used for installment sales occurring before January 1, 2023.

Under tax reform passed in 2018 and 2019, and modified during the 2021 and 2022 legislative sessions, the Iowa capital gain deduction is repealed for most transactions occurring on or after January 1, 2023. This repeal applies to all sales except:

1. Certain sales of real property used in a farming business
2. Sales of cattle or horses held for breeding, draft, dairy, or sporting purposes by a retired farmer who has sold all or substantially all of their interest in the farming business
3. Sales of breeding stock, other than cattle or horses, by a retired farmer who has sold all or substantially all of their interest in the farming business

Deductions for previously eligible installment sales will still be allowed if the sale occurred prior to January 1, 2023.

The Iowa capital gain deduction is subject to review by the Iowa Department of Revenue. The Department will use this form to verify that the taxpayer(s) qualifies for the deduction. The Department may request additional information if needed.

This completed form must be included with the IA 1040 Iowa Individual Income Tax Return (41-001) to support the Iowa capital gain deduction claimed for timber sales. Complete a separate IA 100D for each sale of timber. Complete the form for each year of a qualifying installment sale, including all parts.

For taxpayers filing separately, each spouse must complete an IA 100D for the Iowa capital gain deduction claimed based on the spouse's ownership percentage in the property.

Flowcharts to assist in determining if a gain qualifies are also available on the Department's website. For more information on the Iowa capital gain deduction, see the instructions below and Iowa Administrative Code rules 701—302.38 (2022) and 302.87 (2023).

Part I: Details of Sale

Line 1: Check the box to indicate whether the sale occurred prior to January 1, 2023.

Line 2: Check the box to indicate whether capital gain comes from an installment sale. If "Yes," enter the date of the first installment, the expected date of the final installment, the total capital gain generated by the sale, the total capital gain deduction claimed in prior years, and the capital gain the taxpayer received during tax year 2025. Do not include any interest received.

Part II: Sale of Timber

Line 1: Enter the address or legal description from where the timber was or will be harvested. If providing a legal description, also provide a general description of the property location in relation to a major road or town and the county.

Line 2: Enter the acquisition date and sale date for the timber, as indicated in supporting documentation.

Line 3: Enter the length of the holding period in years and months. The holding period must be at least 12 months to qualify for the Iowa capital gain deduction. If the ownership period indicated in Part II, line 2 is less than 12 months, include a separate statement explaining why the ownership period differs from the holding period.

Line 4: Explain how the buyer intends to use the timber (for example: "Lumber", "Christmas Trees"). For more information, see Iowa Administrative Code rule 701—302.38(6) (2022).

Line 5: Check the box to indicate whether the taxpayer reported the capital gain under IRC section 1231.

Part III: Details of Timber Sold Excluding Land Value

This deduction is only available for capital gains realized on the sale of cut timber or a contract to cut timber and not the value of associated land.

Line 1: Check the box to indicate whether the capital gain is from a C corporation.

Line 2: Indicate whether the C corporation capital gain was from the liquidation of assets which are recognized as a sale of assets under IRC section 331 or from certain stock sales which are treated as an acquisition of assets under IRC section 338.

Line 3: If married filing jointly and both spouses are the only owners, check yes. If married filing separately and both spouses are owners, check no; each spouse must complete an IA 100D and indicate on line 4 the separate ownership percentage of that spouse.

Line 4: Enter the taxpayer's ownership percentage of the property sold at the time of the sale to the nearest one tenth of one percent (for example: 50.0%; 33.3%). If not the sole owner, the taxpayer's ownership percentage must be less than 100% and greater than 0%.

Line 5: Enter the names of all persons and entities that owned the property at the time of sale. If the capital gain flowed through to the taxpayer from a partnership, S corporation, limited liability company (LLC), estate, or trust, all owners of the entity must be reported.

Line 6: Check all boxes that indicate how the taxpayer acquired the timber. If "Other", explain how the taxpayer acquired the timber.

Line 7: Enter the names of all persons and entities that purchased the timber.

Line 8: Enter the amount of the taxpayer's capital gain deduction claimed. Note that the deduction applies to the net capital gain from a sale. Any nonrecaptured losses are treated as ordinary income and are not eligible for the Iowa capital gain deduction. The eligibility of the Iowa capital gain deduction reported here may be subject to further examination by the Department.