



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 Employer Securities to a Qualified Iowa Employee Stock Ownership Plan (ESOP)**

1. Name of Iowa corporation: \_\_\_\_\_  
Note: A limited liability company (LLC) is not considered to be an Iowa corporation for the purposes of this deduction.
2. Does the qualified Iowa ESOP own at least 30% of all outstanding employer securities issued by the Iowa corporation?  
No ☐ ..... Sale is not eligible for Iowa capital gain deduction. Stop.  
Yes ☐ ..... Continue to Part III, line 1

**Part III: Details of Property Sold**

1. Were the employer securities sold Iowa corporation stock?  
No ☐ ..... Sale is not eligible for Iowa capital gain deduction under sale of employer securities to a qualified Iowa ESOP. Stop.  
Yes ☐ ..... Continue to Part III, line 2
2. Are you the sole owner of the employer securities? Married filers, see instructions.  
No ☐ ..... Continue to Part III, line 3  
Yes ☐ ..... Enter 100% on Part III, line 3
3. Enter taxpayer's ownership percentage of the total employer securities sold to the nearest one tenth of one percent (for example 65.2%) ..... 3. \_\_\_\_\_ %
4. Provide all other owner name(s): \_\_\_\_\_  
\_\_\_\_\_
5. Provide the name of the qualifying Iowa ESOP: \_\_\_\_\_  
\_\_\_\_\_
6. Iowa capital gain deduction. Multiply Part I, line 2e by 50% (.5).  
Enter the amount here and include on IA 1040 Schedule 1, line 16 ..... 6. \$ \_\_\_\_\_



## Instructions for 2025 IA 100F – Iowa Capital Gain Deduction Sale of Employer Securities to a Qualified Iowa ESOP

**Recent Changes:** The IA 100F 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 or by a taxpayer who has at least 50% of their gross income from farming.
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 or by a taxpayer who has at least 50% of their gross income from farming.

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. Complete a separate IA 100F for each sale to a qualified Iowa ESOP. Complete the form each year of a qualifying installment sale, including all parts.

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

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 Employer Securities to a Qualified Iowa Employee Stock Ownership Plan (ESOP)

**Line 1:** Enter the name of the Iowa corporation whose employer securities the taxpayer sold. Note: A limited liability company (LLC) is not considered to be an Iowa corporation for the purposes of this deduction. In addition, an Iowa corporation is a corporation whose commercial domicile is in Iowa.

**Line 2:** Check the box to indicate whether, upon completion of the sale, the qualified Iowa ESOP owned at least 30% of all outstanding employer securities issued by the Iowa corporation entered in Part II, line 1.

### Part III: Details of Property Sold

**Line 1:** Check the box to indicate whether the employer securities sold were Iowa corporation stock.

**Line 2:** 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 100F and indicate on line 3 the separate ownership percentage of that spouse.

**Line 3:** Enter the taxpayer's ownership percentage of the employer securities 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 4:** Enter the names of all persons and entities that owned the employer securities at the time of sale. If the capital gain flowed through to the taxpayer from a partnership, S corporation, LLC, estate, or trust, all owners of the entity must be reported.

**Line 5:** Enter the name of the qualifying Iowa ESOP.

**Line 6:** Enter the amount of the taxpayer's capital gain deduction claimed, 50% of Part I, line 2e. 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.