

Order 2026-01, Certifying Iowa Corporate Income Tax Rates for 2027 under Iowa Code section 422.33(1)(b)

I. Certification of Iowa Corporate Income Tax Rates for Tax Years Beginning On or After January 1, 2027.

Iowa Code section 422.33(1)(b) provides for a possible reduction in corporate income tax rates if a certain threshold is met. If the Department of Management determines that net corporate income tax receipts exceeded \$700 million for the immediately preceding fiscal year, the Department of Revenue will calculate what corporate income tax rates would have generated \$700 million in net corporate income tax receipts in that fiscal year. Those rates will then apply to tax years beginning on or after the next January 1. This process will continue until the corporate income tax rate is 5.5% for all corporate taxable income. All rates as determined by the Department of Revenue must be rounded down to the nearest 1/10th of 1 percent.

On September 23, 2026 the Department of Management reported that it had determined that the net corporate income tax receipts for fiscal year 2026 were **\$473,298,589.51**. The statutory threshold for recalculating the corporate income tax rates has not been met. The Iowa corporate income tax rates for tax years beginning in 2027 will remain the same as for tax years beginning in 2026. The Iowa corporate income tax rates for tax years beginning on or after January 1, 2027 are as follows:

Bracket	Tax Rate
\$0- \$25,000	5.5%
\$25,001- \$100,000	5.5%
\$100,001- \$250,000	7.1%
> \$250,000	7.1%

The Director hereby certifies that the rates described above are correctly computed as required by Iowa Code section 422.33(1)(b) and shall apply for tax years beginning on or after January 1, 2024, including tax years beginning in 2026.

Issued at Des Moines, Iowa on this 5th day of October, 2026.

IOWA DEPARTMENT OF REVENUE

By Mary Mosiman
Mary Mosiman, Director