

Income/Franchise:

Iowa: New Law Conforms to Federal Bonus Depreciation and Maintains IRC § 163(j) Decoupling

S.F. 619, signed by gov. 6/16/21. Recently enacted legislation generally conforms Iowa to Internal Revenue Code (IRC) section 168(k) bonus depreciation for qualified assets purchased on and after January 1, 2021, allowing businesses to elect the additional first-year deduction of a capital purchase that can be fully expensed the first year. The legislation additionally maintains Iowa's decoupling from the limitations on business interest expense deductions under IRC section 163(j) for tax years beginning on and after January 1, 2021.

[URL: https://www.legis.iowa.gov/legislation/BillBook?ga=89&ba=sf619](https://www.legis.iowa.gov/legislation/BillBook?ga=89&ba=sf619)

See forthcoming Multistate Tax Alert for more details on this legislation, and please contact us with any questions in the meantime.

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