

## Income/Franchise:

### Iowa: Proposed Rule Implements New Law that Contingently Reduces Corporate Income Tax Rates

*Proposed New Rule section 701—51.10(422)*, Iowa Dept. of Rev. (8/10/22). The Iowa Department of Revenue (Department) proposed a new rule “intended to implement the statutory changes to the corporate income tax rates” under legislation enacted earlier this year [see H.F. 2317 (2022), and *State Tax Matters*, Issue 2022-9, for more details on this new law] that adjusts Iowa’s corporate income tax rate for a given year *so long as* net corporate income tax proceeds collected by Iowa exceed \$700 million in the immediately prior fiscal year. Specifically, if Iowa net corporate income tax receipts for the preceding fiscal year exceed \$700 million, Iowa law requires the Department to calculate the applicable corporate tax rates that would have generated \$700 million in net corporate income tax receipts in the preceding fiscal year, subject to some limitations; this proposed new rule describes the method the Department will use to determine the applicable Iowa corporate income tax rates. Written comments on the proposed new rule are due by August 30, 2022, and a related virtual public hearing is scheduled for August 31, 2022. Please contact us with any questions.

**URL:** <https://www.legis.iowa.gov/docs/aco/bulletin/08-10-2022.pdf>

**URL:** <https://www.legis.iowa.gov/legislation/BillBook?ga=89&ba=HF%202317>

**URL:** [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220304\\_5.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220304_5.html)

— Scott Bender (Milwaukee)  
Principal  
Deloitte Tax LLP  
sbender@deloitte.com

Steven Kelly (Chicago)  
Manager  
Deloitte Tax LLP  
stkelly@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

#### About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.