

## Income/Franchise:

### Iowa Governor Announces Budget Surplus and Resulting Lower Corporate Income Tax Rate

*Press Release: Gov. Reynolds announces Iowa budget surplus of \$1.91B, significant drop in top corporate tax rate, Office of the Governor of Iowa (9/27/22); Iowa Corporate Income Tax Rate Changes for 2023, Iowa Dept. of Rev. (9/28/22).* Pursuant to recently enacted legislation that contingently 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 [see H.F. 2317 (2022), and *State Tax Matters*, Issue 2022-9, for more details on this new law], Iowa Governor Kim Reynolds announced that for Fiscal Year 2022, net corporate income tax receipts exceeded \$850 million, "triggering a drop of 14.2% in the top corporate tax rate to 8.4% from 9.8%." According to Governor Reynolds, this "reduces the number of corporate tax rates from three to two, which was not projected to happen until at least 2027." Correspondingly, the Iowa Department of Revenue now lists the top corporate income tax rate effective for tax years beginning on or after January 1, 2023, as 8.4%. Please contact us with any questions.

**URL:** <https://governor.iowa.gov/press-release/gov-reynolds-announces-iowa-budget-surplus-of-191b%C2%A0significant-drop-in%C2%A0top%C2%A0corporate>

**URL:** [https://tax.iowa.gov/iowa-corporate-income-tax-rate-changes-2023?utm\\_medium=email&utm\\_source=govdelivery](https://tax.iowa.gov/iowa-corporate-income-tax-rate-changes-2023?utm_medium=email&utm_source=govdelivery)

**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

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