

## Income/Franchise:

### Iowa: New Law Allows Some Entities to Make a Pass-Through Entity Tax Election

*H.F. 352*, signed by gov. 5/11/23. Applicable for taxable years beginning on or after January 1, 2022, new law permits some pass-through entities to make an annual election to pay an entity level state tax. Under the new law, the election only applies to taxable years for which the limitation on individual income tax deductions under Internal Revenue Code section 164(b)(6) applies.

**URL:** <https://www.legis.iowa.gov/legislation/BillBook?ga=90&ba=hf352>

See recently issued Multistate Tax Alert for more details on this new law, including some related taxpayer considerations, and please contact us with any questions.

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-iowa-enacts-pass-through-entity-tax-election.pdf>

— Scott Bender (Milwaukee)  
Principal  
Deloitte Tax LLP  
[sbender@deloitte.com](mailto:sbender@deloitte.com)

Robert Waldow (Minneapolis)  
Principal  
Deloitte Tax LLP  
[rwaldow@deloitte.com](mailto:rwaldow@deloitte.com)

Shirley Wei (Los Angeles)  
Senior Manager  
Deloitte Tax LLP  
[shiwei@deloitte.com](mailto:shiwei@deloitte.com)

Steven Kelly (Chicago)  
Manager  
Deloitte Tax LLP  
[stkelly@deloitte.com](mailto:stkelly@deloitte.com)

Olivia Schulte (Washington, DC)  
Manager  
Deloitte Tax LLP  
[oschulte@deloitte.com](mailto:oschulte@deloitte.com)

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

#### **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.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at [www.deloitte.com](http://www.deloitte.com).