



Iowa Pass-Through Entity Tax (PTET)



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Disclaimer

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Overview

Pass-Through Entity Tax (PTET) Introduction

PTET for Tax Year 2022

PTET for Tax Year 2023 and Later

Questions



PTET Introduction

PTET Introduction

What is this?

- Voluntary election for Partnership or S Corporation to be subject to Iowa income tax at the entity level
- Owners receive a % of PTET as a refundable credit
- Applies to tax years beginning on or after January 1, 2022 (retroactive)
- Detailed website guidance available at:
tax.iowa.gov/pass-through-entity-tax

PTET Introduction

Why would a PTE make this election?

- PTET may be deductible on federal income tax return of partnership/S corporation without regard to \$10K SALT deduction limit applicable to individual owners.
- Consult with a tax professional about availability and timing of federal PTET deduction.
- Iowa deduction?
 - **Not** deductible on a 2022 IA 1065/IA 1120S
 - Deductible on 2023 or later IA 1065/IA1120S

PTET Introduction

Making a PTET Election

- Must be made by someone with authority to sign the PTE's Iowa income tax return and bind the PTE and owners for Iowa income tax purposes.
- Election is irrevocable and only applies to one tax year.

PTET Introduction

Interaction with IA PTE-C Composite Return

- Electing PTE is not required to file an IA PTE-C Composite Return for same tax year
 - PTEs that already filed their 2022 Composite Return will not be prohibited from making a 2022 PTET election

PTET Introduction

Information for PTE owners

- Each owner receives a refundable PTET credit equal to % of electing PTE's net PTET liability.
 - TY 2022: 91.47% of net PTET liability (8.53% reduction)
 - TY 2023: 94% of net PTET liability (6% reduction)
- PTET credits must be allocated to each owner in the same ratio that the entity's taxable income was allocated to that owner.

PTET Introduction

Information for PTE owners

- PTET credits are claimed on owners' Iowa returns for same tax year as related K-1 income.
 - 2 exceptions—the following are not eligible to claim their PTET credit
 - Insurance company owner
 - Credit union owner
 - Tiered PTEs claim these credits at entity level, and may receive a refund—credits not further allocated to tiered PTE owners (similar to composite credits).

PTET Introduction

Information for PTE owners

- Owners of electing PTE must still file Iowa tax returns and report distributive income from electing PTE
 - Exception: nonresident individual owner is not required to file IA 1040 if only Iowa-source income is from one or more electing PTEs, and their PTE credits equals or exceeds the individual's Iowa tax liability.



PTET For Tax Year 2022

PTET For Tax Year 2022

TY 2022 Retroactivity

- **Forms—Making Election**
 - 2022 tax forms will not be modified
 - 2022 PTET form will be available on tax.govconnect.iowa.gov.
 - Expected by October 1.
 - Will be supplement to 2022 IA 1065 or 1120S. Entities must file their 2022 income tax return on or before day they file 2022 PTET form.
- **Owners' Credits**
 - Will report 2022 PTET credits to owners on separate schedule (not amended K-1s)
 - Owners will claim their PTET credits in similar manner as composite credits

PTET For Tax Year 2022

Who can file the 2022 PTET form on

- “Authorized person” from PTE: Individual from PTE y income tax return and bind the PTE and its owners f
- OR
- 3rd party individual (preparer) if authorized person o Pass-Through Entity Tax Electronic Filing Authoriza

Iowa Department of **REVENUE** 2022 Iowa Pass-Through Entity Tax (PTET) Electronic Filing Authorization Form tax.iowa.gov

Part I: Partnership or S Corporation Information

For calendar year 2022 or tax year beginning _____, 20____, and ending _____, 20____

Legal Name: _____

Federal Employer Identification Number (FEIN): _____

Part II: Preparer Information

Name: _____ Phone: _____

Firm Name (if applicable): _____

Address: _____

City: _____ State: _____ ZIP: _____

Preparer ID Number: _____

ID Type, check one: SSN/TIN ☐ PTIN ☐ IAN ☐

Part III: Declaration of Authorized Person or Pass-through Representative

I, the undersigned, declare under penalties of perjury or false certificate, that I am an authorized person or pass-through representative of the above-named pass-through entity and I have the authority to make a Pass-Through Entity Tax (PTET) election under Iowa Code section 422.16C for the above-named pass-through entity and tax year. I hereby authorize and direct the above-named preparer to prepare and file the 2022 PTET form for the above-named pass-through entity and tax year. I consent that the 2022 PTET form, including accompanying schedules, attachments, and statements, be filed with the Iowa Department of Revenue through GovConnectIowa by the preparer. I authorize the Department to inform the preparer when the 2022 PTET form has been accepted. In the event that it is rejected, I authorize the Department to identify the reasons for rejection. I understand that this form must be forwarded upon request to the Department. I understand that this form does not give the above-named preparer the authority to discuss the 2022 PTET form with the Department or the authority to act on behalf of the above-named pass-through entity beyond preparing and filing the 2022 PTET form.

Authorized person or pass-through representative name (printed): _____

Signature of authorized person or pass-through representative: _____

Date: _____ Title: _____

Do not submit to the Department unless requested. Keep for your records.

Purpose of this form

2023 Iowa House File 352 created an elective PTET that is retroactive to tax years beginning on or after January 1, 2022. The Department is providing a 2022 PTET form for qualifying partnerships and S corporations to make this election and pay the tax for the 2022 tax year. The 2022 PTET form is only available on GovConnectIowa.

This authorization form allows an authorized person or pass-through representative of a pass-through entity to grant another person (preparer) the authority to complete and file the 2022 PTET form on GovConnectIowa on behalf of the pass-through entity. This authorization form is required for anyone other than an authorized person or pass-through representative to submit a 2022 PTET form for a pass-through entity.

This authorization form shall not be used for any other return. The authorization form must be completed and signed prior to the date the preparer files the 2022 PTET form on behalf of the pass-through entity.

This authorization form does not grant a preparer the authority to discuss the 2022 PTET form with the Department. This form also does not grant a preparer the authority to act on behalf of the pass-through entity beyond preparing and filing the 2022 PTET form. This authorization form should not be submitted to the Department unless requested. The preparer and the pass-through entity should keep this authorization form for their records.

PTET for Tax Year 2022 – PTET Form



Registration

This business has never filed with the Iowa Department of Revenue before and needs to be registered.

- [Register a New Business](#)
- [Register as a Bulk Filer](#)
- [Create a Logon](#)
- [Manage AER Employee List](#)



Manage State of Iowa Licenses

Apply or renew licenses with various State of Iowa agencies and divisions.

- [Alcoholic Beverages Division Licenses](#)
- [Department of Inspections, Appeals, and Licensing \(food and lodging\)](#)
- [Iowa Lottery Licenses](#)



Returns & Payments

Submit returns, make payments, and more.

- [File a Return](#) ←
- [Make a Payment](#)
- [Request Copy of Tax Return](#)



Refunds & Waivers

Request a replacement check, refund, or a penalty waiver from the Iowa Department of Revenue.

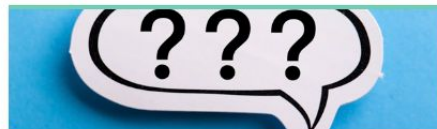
- [Request Refund Check Replacement \(Warrant\)](#)
- [Request a Penalty Waiver](#)
- [Submit an IA 843 Refund Return](#)



Other Actions

Respond to a letter, submit various forms, and more.

- [Respond to a Letter](#)
- [Find a Saved Draft or Submission](#)
- [Submit a Voluntary Disclosure Proposal](#)
- [Submit an Income Tax Preparer Continuing Education](#)



Resources & Tax Information

View self help tools, common questions, and more.

- [View GovConnectIowa Resources & Help](#)
- [View Common Iowa Tax Questions](#)
- [Tax Law & Policy Information](#)
- [Request Tax Guidance](#)

PTET for Tax Year 2022 – PTET Form



< Home

Choose a Return Filing Option

Choose a Return Filing Option

Log In And File

Log in to take full advantage of GovConnectIowa including viewing up-to-date balance and return status.

- > File a Return (Requires Logon)
- > Sign-Up for GovConnectIowa
- > File a 2022 PTET Form ←

Quick Deposit

Make a deposit for monthly or semimonthly filers without logging in.

- > Make a Quick Deposit

PTET for Tax Year 2022 – PTET Form



< Choose a Return Filing Option

File a 2022 PTET Form

File a 2022 PTET Form



Introduction

Information

The Iowa 2022 Pass-Through Entity Tax (PTET) form is available for a partnership or S corporation (i.e. a "pass-through entity"). Visit [our website](#) for detailed information and frequently asked questions.

The 2022 Iowa PTET form applies only to a pass-through entity's tax year that began in 2022, or to its short tax year (less than 12 months) that began in 2023. This 2022 PTET form will do all of the following for the tax year:

- Record the pass-through entity's voluntary election to be subject to Iowa tax at the entity level.
- Compute the pass-through entity's Iowa tax due.
- Compute the refundable credits available to the pass-through entity's owners, and provide a letter template for reporting those credits to the owners.



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PTET for Tax Year 2022 – PTET Form




[<](#) Choose a Return Filing Option

File a 2022 PTET Form

File a 2022 PTET Form





IntroductionAdditional Information

Additional Information

Is there a prerequisite to filing this form?

Yes. The pass-through entity must file its Iowa Partnership Income Tax Return (IA 1065) or Iowa S Corporation Income Tax Return (IA 1120S) for tax year 2022, or for short tax year 2023, **prior** to completing this 2022 PTET form. You will need information from that filed return in order to complete this 2022 PTET form.

Who is authorized to complete and submit this form?



This 2022 PTET form must be completed and filed by an authorized person from the pass-through entity. An "authorized person" is any individual with the authority to sign the pass-through entity's Iowa Partnership Income Tax Return (IA 1065) or Iowa S Corporation Income Tax Return (IA 1120S) and bind the electing pass-through entity and its owners for Iowa income tax purposes. However, this 2022 PTET form may be completed and filed on behalf of the pass-through entity by a tax return preparer or other person who is not an "authorized person" if the other person obtains a completed [2022 Iowa Pass-Through Entity Tax \(PTET\) Electronic Filing Authorization Form](#) from the pass-through entity's authorized person prior to filing . This 2022 Iowa Pass-Through Entity Tax (PTET) Electronic Filing Authorization Form should not be filed with the Iowa Department of Revenue, but it should be kept with the taxpayer's records and provided to the Department upon request.

Do you wish to proceed to the 2022 PTET form? *

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PTET for Tax Year 2022 – PTET Form




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File a 2022 PTET Form


File a 2022 PTET Form



Introduction



Additional Information



Entity

Entity

Select which option applies to your entity:

☒ Files as a partnership using the federal 1065 and IA 1065 income tax returns

☐ Files as an S corporation using the federal 1120-S and IA 1120S income tax returns

☐ Neither option applies to my entity

Has the entity already filed its 2022 IA 1065 or 2022 IA 1120S for the tax year that this Iowa PTET election applies to? *

Yes	No
-----	----



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PTET for Tax Year 2022 – PTET Form



< Choose a Return Filing Option

File a 2022 PTET Form

File a 2022 PTET Form

✓

✓

✓

➤

IntroductionAdditional InformationEntityTax Year


Tax Year

Select the entity's tax year that this PTET election is for, and enter the tax year's beginning and ending dates exactly as they appear on your entity's filed 2022 IA 1065 or 2022 IA 1120S, as applicable. **You will be asked to enter this information twice.**


☒ Tax Year 2022: MM/DD/2022 to MM/DD/YYYY

☐ Tax Year 2023 (short years only): MM/DD/2023 to MM/DD/2023

Tax Period From



Tax Period To




Required

Re-Enter Tax Year


☒ Tax Year 2022: MM/DD/2022 to MM/DD/YYYY

☐ Tax Year 2023 (short years only): MM/DD/2023 to MM/DD/2023

Re-Enter Tax Period From





Re-Enter Tax Period To



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PTET for Tax Year 2022 – PTET Form



< Choose a Return Filing Option

File a 2022 PTET Form

File a 2022 PTET Form

✓

Introduction

✓

Additional Information

✓

Entity


✓

Tax Year


➤

Entity Demographics


Entity Demographics

Help 

Enter the entity's name, address, and FEIN exactly as it appears on Part 1 of the entity's filed 2022 IA 1065 or 2022 IA 1120S. This information must be identical to the filed 2022 IA 1065 or IA 1120S, even if the entity's address has changed. Taxpayers may not use this 2022 PTET form to update their address with the Iowa Department of Revenue.

Legal Name 
Required


Doing Business As (DBA)

FEIN 
Required

Re-Enter Legal Name

Re-Enter FEIN


Country
USA


Street 
Required


Street2


Unit Type

Unit

City 
Required


State 
Required

Zip 
Required

County 
Required

Attention

Verify Address

 Address needs to be verified



Cancel

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PTET for Tax Year 2022 – PTET Form



< Choose a Return Filing Option

File a 2022 PTET Form

File a 2022 PTET Form

Introduction

Additional Information

Entity

Tax Year

Entity Demographics

Return Type

Select the return type: *

☐ Amended

☐ Original



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PTET for Tax Year 2022 – PTET Form



< Choose a Return Filing Option

File a 2022 PTET Form

File a 2022 PTET Form

✓

✓

✓

✓

✓

➔

InformationEntityTax YearEntity DemographicsReturn TypeMain Return



Main Return

1.	Iowa-source distributive items. Enter the amount from 2022 IA 1065, Part 4, line 28, or 2022 IA 1120S, Part 4, line 27, as applicable.	0.00
2.	Gross Iowa PTET.	0.00
3.	Franchise Tax Credit. If you are a financial institution, subtract your 2022 IA 1120F, line 13, from your 2022 IA 1120F, line 14, and enter the difference here. If zero or less, enter zero.	0.00
4.	Net Iowa PTET. Subtract line 3 from line 2. If zero or less, enter zero.	0.00

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PTET for Tax Year 2022 – PTET Form

< Choose a Return Filing Option

File a 2022 PTET Form

File a 2022 PTET Form



YearEntity DemographicsReturn TypeTimely Iowa PTET ElectionMain ReturnPayments and Refundable Credits



Payments and Refundable Credits.

5a.	Other tax year 2022 voucher payments made to your partnership or S corporation account that were not already reported on your 2022 IA 1065 or 2022 IA 1120S.	0.00
5b.	Refundable PTET credits received from other entities for tax year 2022, to the extent they were not claimed on your 2022 IA PTE-C or 2022 IA 1120F. Complete Schedule CC.	0.00
5c.	Refundable composite credits received from other entities for tax year 2022, to the extent they were not claimed on your 2022 IA PTE-C or 2022 IA 1120F.	0.00
5d.	Total of payments and refundable credits. Add lines 5a through 5c.	0.00

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PTET for Tax Year 2022 – PTET Form



[<](#) Choose a Return Filing Option

File a 2022 PTET Form

File a 2022 PTET Form



Demographics

Return Type

Timely Iowa PTET Election

Main Return

Payments and Refundable Credits

Total Amount

Total Amount

6.	Total amount due. Subtract line 5d from line 4. If negative (overpayment), go to line 7.	0.00
7.	Report negative amount (overpayment) from line 6 as a positive amount.	0.00
8.	Overpayment on line 7 to be applied to next period's IA 1065 or IA 1120S return.	0.00
9.	Overpayment on line 7 to be REFUNDED. Subtract line 8 from line 7.	0.00



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PTET for Tax Year 2022 – PTET Form





< Choose a Return Filing Option


File a 2022 PTET Form


File a 2022 PTET Form


 File Type

 Timely Iowa PTET Election

 Main Return

 Payments and Refundable Credits

 Total Amount

 Owners' credit calculation and reporting


Owners' credit calculation and reporting

Upload an [Owner's spreadsheet](#), or manually enter your employees information below.

Total PTET credits available to be reported to owners. Multiply the Net Iowa PTET from line 4 of the Main Return by 91.47% (0.9147). 0.00

Owners' Information



Owner's Name	ID Type	ID	Owner's credit

[Upload](#) 

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PTET for Tax Year 2022 – PTET Form



< Choose a Return Filing Option

File a 2022 PTET Form

File a 2022 PTET Form

PTET Election

✓ Main Return

✓ Payments and Refundable Credits

✓ Total Amount

✓ Owners' credit calculation and reporting

Review

Please review the information you have provided and make any necessary corrections before submitting.

Main Return

1.

Iowa-source distributive items. Enter the amount from 2022 IA 1065, Part 4, line 28, or 2022 IA 1120S, Part 4, line 27, as applicable.

0.00

2.

Gross Iowa PTET.

0.00

3.

Franchise Tax Credit. If you are a financial institution, subtract your 2022 IA 1120F, line 13, from your 2022 IA 1120F, line 14, and enter the difference here. If zero or less, enter zero.

0.00

4.

Net Iowa PTET. Subtract line 3 from line 2. If zero or less, enter zero.

0.00

Payments and Refundable Credits.

5a.

Other tax year 2022 voucher payments made to your partnership or S corporation account that were not already reported on your 2022 IA 1065 or 2022 IA 1120S.

0.00

5b.

Refundable PTET credits received from other entities for tax year 2022, to the extent they were not claimed on your 2022 IA PTE-C or 2022 IA 1120F. Complete Schedule CC.

0.00

5c.

Refundable composite credits received from other entities for tax year 2022, to the extent they were not claimed on your 2022 IA PTE-C or 2022 IA 1120F.

0.00

5d.

Total of payments and refundable credits. Add lines 5a through 5c.

0.00

Total Amount

6.

Total amount due. Subtract line 5d from line 4. If negative (overpayment), go to line 7.

0.00

Cancel

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Submit

PTET for Tax Year 2022 – PTET Form

Confirmation



By entering the following information and clicking [OK], I declare under penalties of perjury or false certificate that one of the following is true, as applicable:

- 1) That I am an authorized person or pass-through representative of the pass-through entity for which this form is being submitted, I have the authority to make a pass-through entity tax election under Iowa Code section 422.16C for the pass-through entity, and I have examined the information being submitted and, to the best of my knowledge and belief, the information is true, correct, and complete.
- 2) That I am not an authorized person or pass-through representative of the pass-through entity for which this form is being submitted, but I have authority to submit this form on behalf of the pass-through entity pursuant to a duly executed 2022 Iowa Pass-Through Entity Tax Electronic Filing Authorization form, and I have examined the information being submitted and, to the best of my knowledge and belief, the information is true, correct, and complete.

Email *

Required

Confirm Email *



Required

Required

Cancel

OK

PTET for Tax Year 2022 – PTET Form



[<](#) Choose a Return Filing Option

Confirmation

Your request has been successfully submitted.

Your request confirmation code is **54gs7w**. Please retain this number for future reference.

Email: test@test.com
Request Type: File a 2022 PTET Form
Submitted Date: 15-Sep-2023 4:40:00 PM

What's Next?

The Department will contact you if additional information is needed.

If your 2022 PTET form shows a balance due, submit payment immediately to the Iowa Department of Revenue. Payments may be submitted electronically on GovConnectIowa, or by check using a printed payment voucher available on GovConnectIowa.
When your balance due, if any, has been paid, you must report available PTET credits to your owners using the 2022 Iowa PTET Credit Schedule.

If you discover errors or omissions on your 2022 PTET form you must file an amended 2022 PTET form on GovConnectIowa.

If you would like to appoint third party representatives to communicate with the Department or perform actions on your behalf, you may do so when logged in to your GovConnectIowa under the "Add Third Party Authorization" section.

[Printable View](#)
[OK](#)

PTET for Tax Year 2022 – PTET Credits

- Report PTET credits to each owner using the 2022 Iowa PTET Credit Schedule.
- Owners may claim a 2022 PTET credit on their Iowa tax return in the same manner as a composite credit.
- Claim 2022 PTET credit for the same tax year you report your related K-1 income.
- May be claimed on an original or amended tax return.
- Must be claimed within the statute of limitations for requesting a refund (generally 3 years from return due date).

Iowa Department of
REVENUE

2022 Iowa PTET Credit Schedule
Owner's PTET Credit
tax.iowa.gov

Part I: General Information

Partnership, Limited Liability Company, or S Corporation Information:
For calendar year 2022 or tax year beginning _____, 20____, ending _____, 20____
Legal Name: _____
Federal Employer Identification Number (FEIN): _____
Amended Schedule ☐

Owner Information:
Name: _____
Social Security Number/FEIN: _____
Address: _____
City: _____ State: _____ ZIP: _____
Resident Owner ☐ Nonresident Owner ☐

Owner's entity type:
☐ Individual ☐ Corporation ☐ Trust/Estate
☐ Partnership ☐ S corporation ☐ Exempt Org
☐ Other: _____

Part II: Owner's PTET Credit: _____

Purpose of this Schedule
For tax years beginning on or after January 1, 2022, a partnership or S corporation may make a Pass-Through Entity Tax (PTET) election to be taxed at the entity level for Iowa tax purposes. When this occurs, the owners receive a refundable PTET credit equal to a percentage of the Iowa income tax paid by the entity.
This schedule is used to report to owners their PTET credit related to the entity's above-listed tax year that originated on a 2022 PTET Form filed by the entity on GovConnectIowa.
View additional information about the Iowa PTET online at tax.iowa.gov/pass-through-entity-tax.

Owners: How to Claim this PTET Credit
If the tax year of the owner is different than that of the pass-through entity, this PTET credit is to be claimed on the owner's Iowa return for the tax year during which the pass-through entity's tax year ends.
If the owner is claiming this PTET credit on a 2022 Iowa return, use the Iowa Schedule CC to report information about the credit claim and insert the phrase "PTET" after the paying pass-through entity name in Column A of the Schedule CC to signify that the credit claim relates to a PTET credit instead of a composite credit. Claim the PTET credit on the appropriate 2022 return as follows:

- **Individual (IA 1040):** Claim on IA 1040, line 62, and include Schedule CC.
- **Individual (IA 1040X):** Claim on IA 1040X, line 23, and include Schedule CC.
- **Fiduciary (IA 1041):** Claim on IA 1041, line 41, and include Schedule CC; or claim on IA PTE-C Composite Return, line 2, and include Schedule CC. Do not allocate the PTET credit to beneficiaries.
- **Corporation or Tax-Exempt Owner Subject to Iowa Unrelated Business Income Tax (IA 1120):** Claim on IA 1120 Schedule C1, line 4, and include Schedule CC.
- **Franchise (IA 1120F):** Claim on IA 1120F, line 15, and include Schedule CC.
- **Partnership or S Corporation (IA 1065 or IA 1120S):** Claim on the 2022 PTET Form filed on GovConnectIowa if the owner is an electing entity; or claim on IA PTE-C Composite Return, line 2, and include Schedule CC. Do not allocate the PTET credit to partners or shareholders.

If the owner is claiming this PTET credit on a 2023 Iowa return, consult the instructions for that 2023 Iowa return when it becomes available.
This schedule should not be included with the owner's Iowa return, but it must be kept with the owner's records and provided to the Department upon request.

PTET for Tax Year 2022 – Election Deadline

What is the deadline for filing a 2022 PTET form?

- Deadline for filing 2022 PTET form will be later of:
 - January 2, 2024
 - Due date of 2022 IA 1065 or 2022 IA 1120S, including extensions
- Late PTET elections are subject to rejection by the Department

PTET for Tax Year 2022 – Estimated Tax Payments

Is an electing PTE required to make estimated PTET payments for Tax Year 2022?

No

PTET for Tax Year 2022 – Penalties and Interest

Will PTE be subject to penalties and interest related to PTET election for tax year 2022?

- If PTE's 2022 tax year ends prior to May 11, 2023:
 - No penalty or interest if 2022 PTET form is filed and paid by **later** of:
 - January 2, 2024, or
 - Due date for filing 2022 IA 1065/IA 1120S, including extensions
- If PTE's 2022 tax year ends on or after May 11, 2023:
 - No penalty or interest if 2022 PTET form is filed and paid by due date for filing 2022 IA 1065/IA 1120S, including extensions

Extension – automatic if PTE pays 90% of Iowa tax due (including PTET) by original due date of income return

PTET for Tax Year 2022 – Composite Payment Transfers

If an electing pass-through entity did not file an IA PTE-C Composite Return, can it transfer a composite tax payment to its partnership or S corporation account to be applied against its PTET liability?



Yes. If an electing pass-through entity has not filed an IA PTE-C Composite Return for a tax year, it may request a transfer of a composite tax payment made for that tax year to the pass-through entity's partnership or S corporation account to satisfy its PTET liability. Transfer requests may only be made by an authorized individual who has a valid **IA 2848 Iowa Department of Revenue Power of Attorney (14-101)** or **Representative Certification form (14-108)** on file with the Department for the pass-through entity's composite tax account.

Transfer requests may be made over the phone by calling the Department at 515-281-3114 or 800-367-3388.

PTET for Tax Year 2022 – Other Account Transfers

If an owner of an electing PTE made an estimated or other voucher payment to their own Iowa tax account, may that owner request that the prior payment be transferred to the electing pass-through entity's partnership or S corporation account?



Yes, provided the owner has not already filed their return and requested a refund of the payment or credited the payment to tax due or to a later tax period. Transfer requests may only be made by the account owner (in the case of individuals) or by another authorized individual who has a valid **IA 2848 Iowa Department of Revenue Power of Attorney (14-101)** or **Representative Certification form (14-108)** on file with the Department for that owner's account.

Transfer requests may be made over the phone by calling the Department at 515-281-3114 or 800-367-3388.




PTET For Tax Year 2023 and Later

PTET for Tax Year 2023 and Later

How can PTET election be made?

Two methods:

1. Can be made before income tax return is filed on GovConnectIowa
 - a. Election method still in development
 - b. Must be logged into GovConnectIowa
 - c. Only records election, PTET calculation is made on IA 1065/IA 1120S return
2. Can be made directly on IA 1065 or IA 1120S return 

2023 IA 1065, page 2

DRAFT

22. All-source partnership distributive items for Iowa tax purposes. Add lines 18 and 21	22.	
23. Nonbusiness income. Include Schedule D	23.	
24. Income subject to apportionment. Subtract line 23 from 22	24.	
25. Iowa BAR from Schedule E	25.	%
26. Income apportioned to Iowa. Multiply line 24 by line 25	26.	
27. Iowa nonbusiness income. Include Schedule D	27.	
28. Iowa-source partnership distributive items. Add lines 26 and 27	28.	

Part 5: Pass-through entity (PTET) election

Check this box and complete Part 5 only if the partnership has elected, or is electing, to be taxed at the entity level under Iowa Code section 422.16C for this tax year. A PTET election is irrevocable and must be made by the due date for filing your return, including extensions. ☐

29. Gross Iowa PTET. Multiply Part 4, line 28, by the applicable tax rate. See instructions.	29.	
30. Franchise tax credit. If you are a financial institution, enter the amount from your 2023 IA 1120F, line 14. If zero or less enter zero.	30.	
31. Net Iowa PTET. Subtract line 30 from line 29. If zero or less, enter zero.	31.	

Part 6: Audit election to pay

Check this box if this is an amended return and the partnership is making an irrevocable election to pay on behalf of its partners from a federal or Iowa audit. If checked, include the IA 103 with your return. ☐

32. Audit election to pay. Enter the amount from the IA 103, line 26	32.	
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Part 7: Total tax, penalty, and interest due

33. Total tax. Add Part 5, line 31 and Part 6, line 32	33.	
34. Composite and PTET credits. Include Schedule CC	34.	
35. Payments from Schedule C	35.	
36. Tentative amount due (or overpayment). Subtract lines 34 and 35 from line 33	36.	
37. Interest	37.	
38. Late payment penalty	38.	
39. Late filing penalty. You may owe a late filing penalty even if you have no tax due. See instructions.	39.	
40. Underpayment of estimated tax penalty related to net Iowa PTET in Part 5. Include IA 2220	40.	
41. TOTAL AMOUNT DUE. Add lines 36 through 40. If negative (overpayment), go to line 42	41.	
42. Report negative amount (overpayment) from line 41 as positive amount	42.	
43. Overpayment on line 42 to be applied to next period's return	43.	
44. Overpayment on line 42 to be REFUNDED. Subtract line 43 from line 42	44.	

44a. Routing number:	<input type="text"/>	44b. Type	<input type="text"/>	Checking	<input type="text"/>	Savings	<input type="text"/>
44c. Account number:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

PTET for Tax Year 2023 and Later

When must PTET election be made?

- Due date for filing IA 1065/IA1120S return, including extensions
 - Extension – automatic if PTE pays 90% of Iowa tax due (including PTET) by original due date of IA 1065/IA 1120S
 - **Important note:** PTEs that fail to make PTET election or pay 90% of Iowa tax due (including PTET) by original due date of IA 1065/IA1120S will lose ability to make a PTET election on an extended Iowa return.
- Late PTET elections are subject to rejection by the Department

PTET for Tax Year 2023 and Later

Penalties and Interest

- If timely PTET election is made, PTE will incur late file and pay penalties if 90% of Iowa tax due not paid by original due date of IA 1065/IA 1120S
- Interest on PTET is computed from original due date of IA 1065/IA 1120S

Quarterly Estimated PTET Payments

- If PTE tax year begins between 1/1/23 and 5/10/23: Not required
- If PTE tax year begins after 5/10/23: Required
 - Underpayment penalties may apply. Use IA 2220 Underpayment of Estimated Tax.

PTET for Tax Year 2023 and Later

- PTET credits:
 - Total PTET credits available to owners will be computed and reported on IA 1065/IA 1120S.
 - Each owner's share of PTET credits will be reported on IA Schedule K-1.
 - PTET credits will be claimed similar to composite credits. Schedule CC is revised to account for both credit types.

Iowa Department of **REVENUE** **DRAFT** 2023 IA 1065 Schedule K-1
Partner's Share of Iowa Income, Deductions, Modifications
tax.iowa.gov

Part I: General Information
Partnership or Limited Liability Company Information:
Legal Name: _____
Federal Employer Identification Number (FEIN): _____
Partner Information:
Name: _____
Social Security Number/FEIN: _____
Address: _____
City: _____ State: _____ ZIP: _____
Resident Partner ☐ Nonresident Partner ☐

Amended K-1 ☐
Partner's Entity Type: ☒ Individual ☐ Corporation ☐
☐ Trust/Estate ☐ Partnership ☐
☐ S corporation ☐ Other ☐
Partner's Ownership Percentage: _____ %
Partner's share of Iowa Receipts: \$ _____
Partner's share of Receipts Everywhere: \$ _____
Partner's share of total nonbusiness income: \$ _____
Partnership Business Activity Ratio (BAR) from IA 1065, Schedule E, line 13: _____ %

Did this Partnership make a Pass-Through Entity Tax (PTET) election for the tax year? Yes ☐ No ☒
Is the Partnership including additional attachments with this K-1? Yes ☐ No ☒

Part II: Partner's Pro Rata Share Items
Completed Iowa Schedule K-1s (including additional attachments) for all partners must be included with the IA 1065 Partnership return.

Income/Adjustments	(a) Federal/All-source amounts	(b) Amounts attributable to Iowa
1. Ordinary business income/(loss)		
2. Net rental real estate income/(loss)		
3. Other net rental income/(loss)		
4. Total guaranteed payments for services		
5. Total guaranteed payments for capital		
6. Interest income		
7. Dividends		
8. Royalties		
9. Net short-term capital gain/(loss)		
10. Net long-term capital gain/(loss)		
11. Net section 1231 gain/(loss)		
12. Other income/(loss)		
Total Income. Add lines 1 through 12		
13. Section 179 deduction		
14. Cash contributions		
15. Noncash contributions		
16. Investment interest expense		
17. Section 56(e)(2) expenditures		
18. Other deductions. See instructions		
Total deductions. Add lines 13 through 18		
Balance. Total income minus total deductions		
19. Iowa modifications		
20. Iowa allocated income (not apportioned on lines 1-19)		

Part III: Composite and PTET credits
1. Iowa composite tax paid on behalf of partner on 2023 IA PTE-C: \$ _____
2. Iowa PTET credit reported to partner: \$ _____

Part IV: Partner's Portion of Iowa Credits

Type of Iowa Credit	Certificate Number	Current Year Amount

To The Partner: You may have a filing requirement with the State of Iowa, even if you are not a resident. The partnership is required to file a composite return on behalf of its nonresident partners, except under certain circumstances, and should notify you if they have done so. To claim any composite, PTET or other tax credits, a return must be filed. Filing information for individuals, corporations, and other entities are provided on the Department's website (tax.iowa.gov) or by calling 515-281-3114 or 800-367-3388.



Questions?