

422.60 Imposition of tax — credit.

1. A franchise tax according to and measured by net income is imposed on financial institutions for the privilege of doing business in this state as financial institutions.

2. *a.* In addition to all taxes imposed under [this division](#), there is imposed upon each financial institution doing business within the state the greater of the tax determined in [section 422.63](#) or the state alternative minimum tax equal to sixty percent of the maximum state franchise tax rate, rounded to the nearest one-tenth of one percent, of the state alternative minimum taxable income of the taxpayer computed under [this subsection](#).

b. The state alternative minimum taxable income of a taxpayer is equal to the taxpayer's state taxable income as computed with the adjustments in [section 422.61, subsection 3](#), and with the following adjustments:

(1) Add items of tax preference included in federal alternative minimum taxable income under section 57, except subsections (a)(1) and (a)(5), of the Internal Revenue Code, make the adjustments included in federal alternative minimum taxable income under section 56, except subsections (a)(4), (c)(1), (d), and (g), of the Internal Revenue Code, and add losses as required by section 58 of the Internal Revenue Code.

(2) Make the adjustments provided in section 56(c)(1) of the Internal Revenue Code, except that in making the calculation under section 56(g)(1) of the Internal Revenue Code the state alternative minimum taxable income, computed without regard to the adjustments made by this subparagraph, the exemption provided for in subparagraph (4), and the state alternative tax net operating loss described in subparagraph (5), shall be substituted for the items described in section 56(g)(1)(B) of the Internal Revenue Code.

(3) Apply the allocation and apportionment provisions of [section 422.63](#).

(4) Subtract an exemption amount of forty thousand dollars. This exemption amount shall be reduced, but not below zero, by an amount equal to twenty-five percent of the amount by which the alternative minimum taxable income of the taxpayer, computed without regard to the exemption amount in this subparagraph, exceeds one hundred fifty thousand dollars.

(5) In the case of a net operating loss beginning after December 31, 1986, which is carried back or carried forward to the current taxable year, the net operating loss shall be reduced by the amount of items of tax preference and adjustments arising in the tax year which was taken into account in computing the net operating loss in [section 422.35, subsection 11](#). The deduction for a net operating loss for a tax year beginning after December 31, 1986, which is carried back or carried forward to the current taxable year shall not exceed ninety percent of the alternative minimum taxable income determined without regard for the net operating loss deduction.

3. *a.* (1) There is allowed as a credit against the tax determined in [section 422.63](#) for a tax year an amount equal to the minimum tax credit for that tax year.

(2) The minimum tax credit for a tax year is the excess, if any, of the net minimum tax imposed for all prior tax years beginning on or after January 1, 1987, over the amount allowable as a credit under [this subsection](#) for those prior tax years.

b. (1) The allowable credit under paragraph "a" for a tax year shall not exceed the excess, if any, of the tax determined in [section 422.63](#) over the state alternative minimum tax as determined in [subsection 2](#).

(2) The net minimum tax for a tax year is the excess, if any, of the tax determined in [subsection 2](#) for the tax year over the tax determined in [section 422.63](#) for the tax year.

4. The taxes imposed under [this division](#) shall be reduced by a historic preservation and cultural and entertainment district tax credit allowed under [section 404A.2](#).

5. *a.* The taxes imposed under [this division](#) shall be reduced by an investment tax credit authorized pursuant to [section 15E.43](#) for an investment in a qualifying business or a community-based seed capital fund.

b. The taxes imposed under [this division](#) shall be reduced by investment tax credits authorized pursuant to [sections 15.333 and 15E.193B, subsection 6, Code 2014](#).

6. The taxes imposed under [this division](#) shall be reduced by an endow Iowa tax credit authorized pursuant to [section 15E.305](#).

7. The taxes imposed under [this division](#) shall be reduced by tax credits for wind energy

production allowed under [chapter 476B](#) and for renewable energy allowed under [chapter 476C](#).

8. The taxes imposed under [this division](#) shall be reduced by a corporate tax credit authorized pursuant to [section 15.331C](#) for certain sales taxes paid by a third-party developer.

9. The taxes imposed under [this division](#) shall be reduced by a tax credit authorized pursuant to [section 15E.66](#), if redeemed, for investments in the Iowa fund of funds.

10. The taxes imposed under [this division](#) shall be reduced by a redevelopment tax credit allowed under [chapter 15, subchapter II, part 9](#).

11. The taxes imposed under [this division](#) shall be reduced by an innovation fund investment tax credit allowed under [section 15E.52](#).

12. *a.* The taxes imposed under [this division](#) shall be reduced by a solar energy system tax credit equal to sixty percent of the federal energy credit related to solar energy systems provided in [section 48\(a\)\(2\)\(A\)\(i\)\(II\)](#) and [section 48\(a\)\(2\)\(A\)\(i\)\(III\)](#) of the Internal Revenue Code, not to exceed twenty thousand dollars.

b. The taxpayer may claim the credit pursuant to [this subsection](#) according to the same requirements, conditions, and limitations as provided pursuant to [section 422.11L](#).

13. The taxes imposed under [this division](#) shall be reduced by a workforce housing investment tax credit allowed under [section 15.355, subsection 3](#).

[C71, 73, 75, 77, 79, 81, §422.60; 82 Acts, ch 1023, §16, 31]

83 Acts, ch 179, §17, 22; 86 Acts, ch 1241, §28; 87 Acts, 1st Ex, ch 1, §14; 89 Acts, ch 285, §6; 2002 Acts, ch 1003, §3, 5; 2002 Acts, ch 1006, §9, 13; 2002 Acts, ch 1156, §4, 8; 2003 Acts, 1st Ex, ch 2, §86, 89; 2004 Acts, ch 1175, §406, 418; 2005 Acts, ch 150, §15, 63, 69; 2005 Acts, ch 160, §3, 14; 2006 Acts, ch 1158, §34 – 38; 2007 Acts, ch 162, §9, 13; 2007 Acts, ch 165, §6, 9; 2008 Acts, ch 1173, §10; 2008 Acts, ch 1191, §164; 2009 Acts, ch 41, §126; 2010 Acts, ch 1138, §13, 16, 23, 26; 2011 Acts, ch 25, §82, 143; 2011 Acts, ch 130, §43, 47, 71; 2012 Acts, ch 1136, §36, 39 – 41; 2014 Acts, ch 1093, §27 – 29; 2014 Acts, ch 1118, §10, 12; 2014 Acts, ch 1130, §21, 24 – 26, 39; 2014 Acts, ch 1141, §78 – 80

Tax credit certificates issued for future tax years for investments made on or before July 1, 2010, under former subsection 6 are valid and may be claimed by a taxpayer after July 1, 2010, in the tax year stated on the certificate; 2010 Acts, ch 1138, §26

Subsection 11 applies retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 130, §47

2012 strike of former subsections 10 and 11 takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39 – 41

2014 amendment to subsection 4 applies to agreements entered into by the department of cultural affairs and an eligible taxpayer on or after July 1, 2014; 2014 Acts, ch 1118, §12

Subsection 12 as enacted by 2014 Acts, ch 1093, §27, is effective April 10, 2014; amendment to subsection 12, paragraph a, by 2014 Acts, ch 1141, §78, is effective May 30, 2014; subsection 12 applies retroactively to January 1, 2014, for tax years beginning on or after that date; 2014 Acts, ch 1093, §28, 29; 2014 Acts, ch 1141, §79, 80

Subsection 13 takes effect May 30, 2014; applies retroactively to January 1, 2014, for tax years beginning on or after that date; and applies to qualifying new investment costs incurred on or after May 30, 2014; 2014 Acts, ch 1130, §24 – 26

Subsection 4 stricken and rewritten

Subsection 5, paragraph b amended

NEW subsections 12 and 13