

**422.6 Income from estates or trusts.**

1. The tax imposed by [section 422.5](#) less the amounts of nonrefundable credits allowed under [this division](#) apply to and are a charge against estates and trusts with respect to their taxable income, and the rates are the same as those applicable to individuals. The fiduciary shall make the return of income for the estate or trust for which the fiduciary acts, whether the income is taxable to the estate or trust or to the beneficiaries. However, for tax years ending after August 5, 1997, if the trust is a qualified preneed funeral trust as set forth in section 685 of the Internal Revenue Code and the trustee has elected the special tax treatment under section 685 of the Internal Revenue Code, neither the trust nor the beneficiary is subject to Iowa income tax on income accruing to the trust.

2. The beneficiary of a trust who receives an accumulation distribution shall be allowed credit without interest for the Iowa income taxes paid by the trust attributable to the accumulation distribution in a manner corresponding to the provisions for credit under the federal income tax relating to accumulation distributions as contained in the Internal Revenue Code. The trust is not entitled to a refund of taxes paid on the distributions. The trust shall maintain detailed records to verify the computation of the tax.

[C35, §6943-f6; C39, §**6943.038**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.6]

[83 Acts, ch 179, §4, 25](#); [84 Acts, ch 1305, §28](#); [88 Acts, ch 1028, §12](#); [89 Acts, ch 251, §12](#); [91 Acts, ch 159, §8](#); [97 Acts, ch 23, §42](#); [98 Acts, ch 1078, §4, 11](#); [99 Acts, ch 95, §4, 12, 13](#); [2002 Acts, ch 1145, §8](#); [2006 Acts, ch 1158, §11](#); [2019 Acts, ch 24, §104](#)

Referred to in [§422.14](#), [422.16](#)

Code editor directive applied