

541B.3 First-time homebuyer savings account.**1. Establishment of account.**

a. An individual may open an interest-bearing savings account with a financial institution and designate the entire account as a first-time homebuyer savings account for the purpose of paying or reimbursing a designated beneficiary's eligible home costs in connection with a qualified home purchase. The first-time homebuyer savings account designation shall be made on forms provided by the department and shall be submitted on or before the date prescribed in [section 422.21](#) for making and filing an individual income tax return, excluding extensions, or the date for making and filing an individual income tax return determined by the director pursuant to an order issued under [section 421.17, subsection 30](#), applicable to the tax year in which the account is opened.

b. A married couple electing to file a joint Iowa individual income tax return may establish a joint first-time homebuyer savings account. Married taxpayers electing to file separate tax returns for Iowa tax purposes shall not establish or maintain a joint first-time homebuyer savings account.

c. An individual may establish more than one first-time homebuyer savings account, provided each account has a different designated beneficiary.

2. Designation of beneficiary.

a. The account holder shall designate one individual as beneficiary of the first-time homebuyer savings account. The designation shall be made on forms provided by the department and shall be submitted on or before the date prescribed in [section 422.21](#) for making and filing an individual income tax return, excluding extensions, or the date for making and filing an individual income tax return determined by the director pursuant to an order issued under [section 421.17, subsection 30](#), applicable to the tax year in which the designation is made. The account holder may change the designated beneficiary of the first-time homebuyer savings account at any time.

b. The account holder and designated beneficiary of a first-time homebuyer savings account may be the same individual.

c. An individual may be the designated beneficiary of more than one first-time homebuyer savings account.

d. The designated beneficiary of a first-time homebuyer savings account must be a first-time homebuyer.

[2017 Acts, ch 116, §5; 2018 Acts, ch 1161, §131, 133, 134; 2021 Acts, ch 177, §1; 2023 Acts, ch 115, §2, 3](#)

Referred to in [§541B.2, 541B.7](#)

2018 amendment to subsection 1, paragraph b is effective January 1, 2023, and applies to tax years beginning on or after that date; 2018 Acts, ch 1161, §133, 134; [2021 Acts, ch 177, §1](#)

Subsection 1, paragraph a amended

Subsection 2, paragraph a amended