

422.63 Amount of tax.

1. *a.* The franchise tax is imposed annually in an amount equal to the percent specified in [subsection 2](#) of the net income received or accrued during the taxable year. If the net income of the financial institution is derived from its business carried on entirely within the state, the tax shall be imposed on the entire net income, but if the business is carried on partly within and partly without the state, the portion of net income reasonably attributable to the business within the state shall be specifically allocated or equitably apportioned within and without the state under rules of the director.

b. For purposes of apportioning income within and without the state, if an election is made pursuant to [section 422.60, subsection 1](#), paragraph “*b*”, the commercial domicile of an investment subsidiary included on the return of the financial institution pursuant to the election shall be that of the financial institution rather than the investment subsidiary.

2. *a.* For tax years beginning prior to January 1, 2023, five percent.

b. For tax years beginning on or after January 1, 2023, but before January 1, 2024, four and seven-tenths percent.

c. For tax years beginning on or after January 1, 2024, but before January 1, 2025, four and four-tenths percent.

d. For tax years beginning on or after January 1, 2025, but before January 1, 2026, four and one-tenth percent.

e. For tax years beginning on or after January 1, 2026, but before January 1, 2027, three and eight-tenths percent.

f. For tax years beginning on or after January 1, 2027, three and one-half percent.

[C71, 73, 75, 77, 79, 81, §422.63]

[86 Acts, ch 1194, §2](#); [2022 Acts, ch 1138, §60](#); [2024 Acts, ch 1094, §23 – 25](#)

Referred to in [§421.27, 422.16B](#)

2024 amendment to subsection 1 applies to tax years beginning on or after January 1, 2025; [2024 Acts, ch 1094, §25](#)

2024 amendment to subsection 1 effective January 1, 2025; [2024 Acts, ch 1094, §24](#)

Subsection 1 amended