

12I.8 Tax considerations.

1. For federal income tax purposes, the Iowa ABLE savings plan trust shall be considered a qualified ABLE program exempt from taxation pursuant to section 529A of the Internal Revenue Code and shall be operated so that it meets the requirements of section 529A of the Internal Revenue Code.

2. State income tax treatment of the Iowa ABLE savings plan trust shall be as provided in [section 422.7, subsections 24 and 25](#).

3. For a death occurring before January 1, 2025, state inheritance tax treatment of interests in Iowa ABLE savings plans shall be as provided in [section 450.4, subsection 9](#).

[2015 Acts, ch 137, §83, 162, 163; 2025 Acts, ch 148, §25, 53, 54](#)

2025 amendment to subsection 3 applies retroactively to January 1, 2025, to the estates of decedents dying on or after January 1, 2025;
2025 Acts, ch 148, §54

Subsection 3 amended