

701—601.24(422) Deduction of credits.

601.24(1) *Sequencing of credit deductions.* The credits against computed tax set forth in Iowa Code section 422.60 shall be claimed in the following sequence.

- a. Alternative minimum tax credit (for tax years beginning during 2021 only).
- b. Qualifying business investment tax credit (also known as angel investor tax credit).
- c. Historic preservation tax credit (when the taxpayer has elected that the credit be nonrefundable under Iowa Code section 404A.2(4)).
- d. Innovation fund investment tax credit.
- e. Endow Iowa tax credit.
- f. Redevelopment tax credit.
- g. Workforce housing tax credit.
- h. Hoover presidential library tax credit.
- i. Enterprise zone tax credit.
- j. High quality jobs investment tax credit.
- k. Wind energy production tax credit.
- l. Renewable energy tax credit.
- m. Solar energy system tax credit.
- n. Alternative minimum tax credit (for tax years beginning before January 1, 2021, only).
- o. Historic preservation tax credit (when the taxpayer has elected that the credit be refundable under Iowa Code section 404A.2(4)).
- p. High quality jobs third-party developer tax credit.
- q. Estimated payments, payments with vouchers, and composite tax credits.

601.24(2) *Order of credits carried forward from a previous tax year.* A credit carried forward from a previous tax year shall be applied against computed tax before a credit earned under the same credit program in the current tax year. However, a credit carried forward from a previous tax year cannot be applied against computed tax before a credit awarded under a different credit program in a later year that appears before it in the sequence in subrule 601.24(1). For example, an innovation fund investment tax credit awarded in the current tax year must be applied against computed tax before a renewable energy tax credit carried forward from a previous tax year.

This rule is intended to implement Iowa Code sections 422.60 and 422.91.

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