

701—405.4(422) Nonresident member determination. The following rules shall apply in determining who is a nonresident member under Iowa Code section 422.16B(1) “a”:

405.4(1) A partner, shareholder, or beneficiary of a pass-through entity shall be considered a nonresident member if any of the following were true for the entire period of time that person was a partner, shareholder, or beneficiary during that pass-through entity’s tax year:

- a.* The person is an individual and was a nonresident of Iowa.
- b.* The person is a business entity and did not have a commercial domicile in Iowa as defined in Iowa Code section 422.32.
- c.* The person is an estate or trust and did not have a situs in Iowa.

405.4(2) Any partner, shareholder, or beneficiary whose state of residence, commercial domicile, or situs, as applicable, is not known by the pass-through entity shall be considered a nonresident member.

This rule is intended to implement Iowa Code section 422.16B.

[ARC 6900C, IAB 2/22/23, effective 3/29/23]