

701—800.56(422) Public safety officer moving expense tax credit.

800.56(1) *In general—eligibility.* For tax years beginning on or after January 1, 2024, a public safety officer moving expense tax credit is available for certain unreimbursed moving expenses incurred by individuals who establish residency in Iowa upon taking full-time employment as a public safety officer in Iowa as provided in Iowa Code section 422.12P and this rule. The tax credit may be claimed by individuals against the individual income tax.

800.56(2) *Qualifying public safety officer.* The following meet the definition of a public safety officer:

- a. Peace officers as described in Iowa Code section 801.4, including:
 - (1) Sheriff or sheriff's deputy.
 - (2) City police officer.
 - (3) Peace officer member of the department of public safety.
 - (4) Parole officer.
 - (5) Probation officer.
 - (6) Sworn special security officer employed by an institution of the board of regents.
 - (7) Conservation officer.
 - (8) Employee of the department of transportation who is designated as a peace officer.
 - (9) Employee of an aviation authority who is designated as a peace officer.
- b. Corrections officers as described in Iowa Code section 97B.49B(1)“e”(3).

800.56(3) *Tax credit calculation.*

a. *Eligible expenses.* An expense will qualify as a moving expense if it meets all of the following requirements:

(1) The expense meets the definition of a moving expense under Section 217(b) of the Internal Revenue Code and Treasury Regulation 1.217-2(b)(2) through (4) as amended and in effect on July 1, 2024, or is a reasonable expense for meals incurred during travel from the taxpayer's old home to the taxpayer's new home.

(2) The expense is paid or incurred by the taxpayer, and the expense is attributable to the taxpayer or a member of the taxpayer's household.

(3) The expense is unreimbursed. An expense will be considered reimbursed to the extent of any amount the taxpayer is eligible to receive, directly or indirectly, from the taxpayer's employer or another person as payment for the expense of moving.

(4) The expense is not deducted on the taxpayer's federal income tax return.

b. *Taxpayer eligibility.* Taxpayers must meet all of the following requirements to be considered a new resident and eligible for the tax credit:

(1) The taxpayer establishes residency in Iowa after July 1, 2024, and has not been a resident of Iowa in the 12-month period prior to establishing residency in Iowa.

(2) The taxpayer becomes employed full-time in a qualifying public safety officer position in Iowa.

(3) The taxpayer becomes a resident of Iowa as a direct result of accepting employment in Iowa as a qualifying public safety officer.

(4) The taxpayer remains employed full-time in a qualifying public safety officer position when claiming the tax credit.

(5) The taxpayer remains a resident of Iowa when claiming the tax credit.

c. *Maximum tax credit.* The maximum allowable tax credit shall not exceed \$2,000 per move.

800.56(4) *Claiming the tax credit.*

a. *Filing a claim with the department.* The tax credit will be calculated and claimed on Form IA 176. The taxpayer shall submit the form with the taxpayer's Iowa tax return for the tax year in which the tax credit is claimed.

b. *When to claim the credit.*

(1) For eligible expenses paid or incurred by the taxpayer before beginning full-time qualifying employment or in the same year such employment begins, the credit shall be claimed in the tax year the full-time qualifying employment begins.

EXAMPLE: X, a resident of Illinois, accepts a position as a parole officer in Iowa. X moves to Iowa, establishes Iowa residency, and incurs moving expenses late in tax year 2025 but does not begin X's job as

a parole officer until tax year 2026. Because X incurred the costs of X's move in the year before X began full-time employment as a public safety officer, X will claim the tax credit in tax year 2026, the year X began full-time employment.

(2) For eligible expenses paid or incurred by the taxpayer after the tax year full-time qualifying employment begins, the credit shall be claimed in the tax year such expenses are incurred.

EXAMPLE: Y, a resident of Nebraska, accepts a position as a sheriff's deputy in Iowa. Y begins working full-time as a sheriff's deputy in November of tax year 2025, but due to Y's proximity to Y's new employment, Y does not move to Iowa, establish Iowa residency, and incur moving expenses until early the next tax year, in February of tax year 2026. Because Y did not incur moving expenses until the tax year after Y began full-time employment as a public safety officer, Y may claim the tax credit in tax year 2026.

c. Tax credit in excess of tax liability. Any credit in excess of the taxpayer's tax liability is refundable. In lieu of claiming the refund, the taxpayer may elect to have the excess credited to the taxpayer's estimated tax for the following year in the same manner and under the same conditions as an overpayment of tax.

d. Transferability. The credit shall not be transferred to any other person.

This rule is intended to implement Iowa Code section 422.12P.

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