

**701—501.12(422) Deduction of credits.**

**501.12(1)** *Sequencing of credit deductions.* The credits against computed tax set forth in Iowa Code sections 422.33 and 422.110 shall be claimed in the following sequence.

- a. Franchise tax credit.
- b. Alternative minimum tax credit (for tax years beginning during 2021 only).
- c. Qualifying business investment tax credit (also known as angel investor tax credit).
- d. Historic preservation tax credit (when the taxpayer has elected that the credit be nonrefundable under Iowa Code section 404A.2(4)).
- e. School tuition organization tax credit.
- f. Innovation fund investment tax credit.
- g. Endow Iowa tax credit.
- h. Redevelopment tax credit.
- i. From farm to food donation tax credit.
- j. Workforce housing tax credit.
- k. Hoover presidential library tax credit.
- l. Enterprise zone tax credit.
- m. High quality jobs investment tax credit.
- n. Wind energy production tax credit.
- o. Renewable energy tax credit.
- p. New jobs tax credit.
- q. Beginning farmer tax credit.
- r. Agricultural assets transfer tax credit.
- s. Custom farming contract tax credit.
- t. Solar energy system tax credit.
- u. Charitable conservation contribution tax credit.
- v. Alternative minimum tax credit (for tax years beginning before January 1, 2021, only).
- w. Historic preservation tax credit (when the taxpayer has elected that the credit be refundable under Iowa Code section 404A.2(4)).
- x. High quality jobs third-party developer tax credit.
- y. Research activities credit.
- z. Assistive device tax credit.
- aa. Motor fuel tax credit.
- ab. E-85 gasoline promotion tax credit.
- ac. Biodiesel blended fuel tax credit.
- ad. E-15 plus gasoline promotion tax credit.
- ae. Renewable chemical production tax credit.
- af. Estimated payments, payments with vouchers, and composite tax credits.

**501.12(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 501.12(1). For example, a school tuition organization 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 422.33, 422.91 and 422.110.

[ARC 8589B, IAB 3/10/10, effective 4/14/10; ARC 9104B, IAB 9/22/10, effective 10/27/10; ARC 9876B, IAB 11/30/11, effective 1/4/12; ARC 0398C, IAB 10/17/12, effective 11/21/12; ARC 1303C, IAB 2/5/14, effective 3/12/14; ARC 1744C, IAB 11/26/14, effective 12/31/14; ARC 6030C, IAB 11/3/21, effective 12/8/21; Editorial change: IAC Supplement 11/2/22; ARC 6900C, IAB 2/22/23, effective 3/29/23; Editorial change: IAC Supplement 10/18/23]