



**STATE OF IOWA**  
KIM REYNOLDS  
GOVERNOR

May 15, 2026

The Honorable Paul Pate  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary,

I hereby transmit:

Senate File 2492, an Act creating a state corporate income tax deduction for net controlled foreign corporation tested income, and including retroactive applicability provisions.

The above Senate File is hereby approved on this date.

Sincerely,

Kim Reynolds  
Governor of Iowa

cc: Secretary of the Senate  
Clerk of the House



Senate File 2492

AN ACT


CREATING A STATE CORPORATE INCOME TAX DEDUCTION FOR NET  
CONTROLLED FOREIGN CORPORATION TESTED INCOME, AND INCLUDING  
RETROACTIVE APPLICABILITY PROVISIONS.


BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.35, subsection 12, Code 2026, is  
amended to read as follows:


12. Subtract, to the extent included, ~~global intangible  
low-taxed~~ income under section 951A of the Internal Revenue  
Code.

Sec. 2. RETROACTIVE APPLICABILITY. This Act applies retroactively to January 1, 2026, for tax years beginning on or after that date.

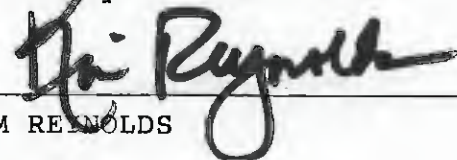
  
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AMY SINCLAIR  
President of the Senate

  
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PAT GRASSLEY  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2492, Ninety-first General Assembly.

  
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W. CHARLES SMITHSON  
Secretary of the Senate

Approved May 15<sup>th</sup>, 2026

  
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KIM REYNOLDS  
Governor