

**422.37 Consolidated returns.**

Any affiliated group of corporations may, not later than the due date for filing its return for the taxable year, including any extensions thereof, under rules to be prescribed by the director, elect, and upon demand of the director shall be required, to make a consolidated return showing the consolidated net income of all such corporations and other information as the director may require, subject to the following:

1. The affiliated group filing under [this section](#) shall file a consolidated return for federal income tax purposes for the same taxable year.

2. All members of the affiliated group shall join in the filing of an Iowa consolidated return to the extent they are subject to the tax imposed by [section 422.33](#), except as otherwise provided in [section 29C.24](#).

3. Members of the affiliated group exempt from taxation by [section 422.34](#) of the Code shall not be included in a consolidated return.

4. All members of the affiliated group shall use the statutory method of allocation and apportionment unless the director has granted permission to all members to use an alternative method of allocation and apportionment.

5. Each member of the affiliated group shall consent to the rules governing a consolidated return prescribed by the director at the time the consolidated return is filed, unless the director requires the filing of a consolidated return. The filing of a consolidated return shall be considered the affiliated group's consent.

6. The filing of a consolidated return for any taxable year shall require the filing of consolidated returns for all subsequent taxable years so long as the filing taxpayers remain members of the affiliated group unless the director determines that the filing of separate returns will more clearly disclose the taxable incomes of each member of the affiliated group. This determination shall be made after specific request by the taxpayer for the filing of separate returns.

7. The computation of consolidated taxable income for the members of an affiliated group of corporations subject to tax shall be made in the same manner and under the same procedures, including all intercompany adjustments and eliminations, as are required for consolidating the incomes of affiliated corporations for the taxable year for federal income tax purposes in accordance with section 1502 of the Internal Revenue Code.

8. *a.* (1) The affiliated group shall file a return under [this section](#) for each taxable year in an electronic format specified by the department, regardless of the total gross receipts or amount of credits reported by the affiliated group.

(2) For purposes of the electronic filing requirement, a return of an affiliated group includes any form or schedule supporting the return or any amended return of the affiliated group.

(3) The financial institution is a corporation subject to the electronic filing requirement under [section 422.36, subsection 8](#), paragraph "b".

*b.* (1) Notwithstanding paragraph "a", the department may provide an exception to file a return in an electronic format.

(2) A return subject to the electronic filing requirement in paragraph "a" that is filed in a manner other than in an electronic format specified by the department shall not be considered a valid return unless the department provides an exception pursuant to this paragraph.

*c.* The department shall adopt rules to implement [this subsection](#).

[C35, §6943-f33; C39, §6943.069; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.37]  
[86 Acts, ch 1213, §10](#); [87 Acts, 1st Ex, ch 1, §13](#); [92 Acts, 2nd Ex, ch 1001, §240, 252](#); [2016 Acts, ch 1095, §8, 14, 15](#); [2022 Acts, ch 1061, §7, 9](#)

Referred to in [§29C.24](#), [421.27](#), [422.7\(43\)\(c\)](#), [422.25](#)

Subsection 8 applies to tax years ending on or after December 31, 2022, or for tax years ending on or after December 31 of the calendar year in which the department of revenue implements a system for receiving the electronic returns, whichever is later; [2022 Acts, ch 1061, §9](#)  
 NEW subsection 8