



Summary of Key Effective Dates 2021 - 2023

On May 30, 2018, Iowa Governor Kim Reynolds signed extensive tax reform into law. The provisions of the new tax reform law become effective at different times. This guide summarizes when key provisions become effective.

Disclaimer: The information provided below is a high-level summary of the effective dates in the tax reform law (SF2417); it does not address every provision of the tax reform law enacted during the 2018 legislative session. Additional information regarding tax reform implementation can be found on our website.

Income Tax Changes for Individuals

Number of Tax Brackets Reduced to four with Top Rate Reduced to 6.5%	Effective for tax years beginning Jan. 1, 2023, subject to triggers
Federal Deductibility Repealed	
Federal Taxable Income Becomes the Starting Point for Iowa Income Taxes	

Income Tax Changes for Business

All Corporate Rates Reduced, Top Rate Becomes 9.8%	Effective for tax years beginning on or after Jan. 1, 2021
Corporate Alternative Minimum Tax (AMT) Repealed	Effective for tax years beginning on or after Jan. 1, 2021
Corporate AMT Credit Repealed	Effective for tax years beginning on or after Jan. 1, 2022
Changes to Net Operating Loss Deduction and Carryforwards	Effective for tax years beginning on or after Jan. 1, 2023, subject to triggers
Federal Deductibility Elimination	Eliminated for corporations for tax years beginning on or after Jan. 1, 2022. During the final year, deduction applies only to payments for a tax year beginning before Jan. 1, 2021
Innovation Fund Tax Credit	Period for certifying funds extended through Jun. 30, 2023