

IOWA  **Department of REVENUE**

**Iowa's Franchise
Tax Credit
Tax Credits Program Evaluation Study**

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Preface

During the 2005 Legislative Session the Iowa Department of Revenue received an appropriation to establish the Tax Credits Tracking and Analysis Program to track tax credit awards and claims. In addition, the Department was directed to perform periodic evaluations of tax credit programs. This is the first evaluation study completed for this administrative tax credit.

This study and other evaluations of Iowa tax credits can be found on the Tax Credits Tracking and Analysis Program Web page on the Iowa Department of Revenue Web site located at:
<http://www.state.ia.us/tax/taxlaw/creditstudy.html>

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I. Introduction

The Iowa Franchise Tax Credit was introduced in tax year 1997 in response to a federal tax change regarding financial institutions.¹ Federal law was changed effective with the 1997 tax year to allow financial institutions to be organized as S corporations for the first time. Previously, financial institutions had to be organized as C corporations. This change allowed shareholders to report income from the financial institution on their federal individual income tax returns, instead of the financial institution being subject directly to federal corporate income tax. In 1997, \$8.8 million of Iowa franchise tax revenue was distributed to cities and counties, and there was concern that franchise tax revenues would drop substantially if a large number of Iowa financial institutions reorganized as S corporations for Iowa tax purposes. The Iowa Legislature adopted the Franchise Tax Credit and required all financial institutions to still remit the Iowa franchise tax. Since the shareholders of financial institutions also have to report their share of the income on their individual tax returns, the Franchise Tax Credit prevents double taxation for these shareholders. Those shareholders qualify for a Franchise Tax Credit equal to the shareholder's pro rata share of the Iowa franchise tax paid by the financial institution. The tax credit can be claimed against individual income and corporate income taxes.

The main goal of this evaluation study, which is presented in the third section, is to provide information about the Franchise Tax Credit including how much of the credits are claimed, how much expires, and who is claiming the credits. In the second section, information is provided on how other states tax their financial institutions.

II. How Other States Tax Financial Institutions

Out of the fifty states only Wyoming does not impose a tax on financial institutions (or any other corporation). Twenty-nine states levy some form of a tax specifically on financial institutions (referred to as a franchise tax) (see Table 1). The remaining 20 states tax their banks using the same tax system other corporations are required to use (referred to as a corporate income tax).

The rates and methods of taxation vary greatly from state to state as does the definition of "financial institution" (see Table 1). In many cases, both the franchise tax and corporate income tax are based on a percentage of net or taxable income. Some states have a flat tax rate and others have a graduated tax rate. Still others use a different base altogether, i.e. apportioned taxable margin, a percent of monthly deposits, or net taxable capital.

Iowa taxes its financial institutions using a franchise tax.² The franchise tax was first levied in 1970 and is equal to five percent of net income.³ Prior to 1970, banks were taxed on the value of their capital stock and all surplus profits were taxed as moneys and credits. The revenue was divided between the State General Fund, cities, and counties.⁴ When the franchise tax was enacted, the cities and counties did not want to lose this revenue stream, so the Legislature decided to impose the franchise tax separately on financial institutions. The first \$8.8 million of franchise tax revenues were

¹ Financial institutions are defined in Section 581 of the Internal Revenue Code.

² Financial institutions are defined (in Iowa Code Section 422.61) as state banks, national banking associations, trust companies, federally and state chartered savings and loan associations, financial institutions chartered by the Federal Home Loan Bank Board and production credit associations.

³ Net income equals income of the financial institution less business deductions, but includes interest and dividends from federal securities and securities issued by other government agencies. Income from the sales of obligations of the state and its political subdivisions and interest and dividend income from these obligations are exempt in cases where the law authorizing the obligations specifically exempts the income from the state franchise tax. Federal taxes paid are not deductible.

⁴ It should be noted that credit unions continue to be subject to the moneys and credits tax with the money distributed between the General Fund, cities and counties. Credit unions remain exempt from federal income tax, while financial institutions have always been subject to federal income tax.

distributed to the cities and counties where the financial institutions were located, and the rest of the revenues went to the General Fund. Starting with fiscal year 2005, all franchise tax revenues went into the General Fund. Initially, \$7 million of franchise tax revenues was directed annually to the Community Attraction and Tourism Fund, but that diversion was repealed during the 2011 Legislative Session. Therefore, going forward all franchise tax revenues will remain in the General Fund. On average, Iowa collects around \$30.4 million in net franchise tax revenue each fiscal year.

All of Iowa's neighboring states tax financial institutions in some manner. Minnesota, Wisconsin, and Illinois impose a corporate income tax on banks at rates of 9.8 percent, 7.9 percent, and 7 percent, respectively. Missouri, Nebraska, and South Dakota impose a franchise tax on the financial institutions conducting business in their states. Missouri's tax is 0.033 percent of the par value of shares outstanding apportioned to Missouri, not to exceed the amount of tax from the 2010 taxable year. Nebraska calculates the franchise tax as \$0.47 per \$1,000 of average deposits (calculated quarterly), but limited to 3.81 percent of the institution's net financial income. South Dakota's rate decreases as income rises; the tax rate starts at 6 percent and eventually reaches 0.25 percent.

III. Franchise Tax Revenues and Franchise Tax Credit Claims

On average, Iowa collects \$30.4 million dollars in net franchise tax revenues each fiscal year (see Table 2). Because Franchise Tax Credit claims are made on individual and corporate income tax returns it is difficult to match the tax credit claims directly to the corresponding franchise tax paid, therefore net fiscal year franchise tax revenues are compared to tax year Franchise Tax Credit claims. On average, 40 percent (\$12.3 million) of net franchise tax revenues are later claimed as Franchise Tax Credits by shareholders of financial institutions organized as S corporations.

Franchise Tax Credits are claimed on individual and corporate income tax returns (see Table 3). Data is only available beginning in tax year 2006 when the IA 148 Tax Credit Schedule was introduced to collect specific data on "Other Nonrefundable" and "Other Refundable" tax credit claims.⁵ The effect of the Franchise Tax Credit on corporate income tax receipts is minimal with an average of only nine claims each tax year that average less than \$15,000 in total claims each year. The reduction in individual income tax receipts is much greater at an average of \$12.2 million in total claims each tax year claimed by over 2,400 taxpayers.

Franchise Tax Credits are nonrefundable and cannot be carried forward to subsequent tax years. If the credits are not fully used to reduce or eliminate tax liability in the tax year they are passed-through, the unused credits expire. On average, 11.4 percent of available credits expire each tax year (see Table 4). Even though data on all Franchise Tax Credit claims have not been captured for tax year 2010, it has the highest amount of credits available (\$15.8 million) and the lowest percentage of credits that expired (8 percent) in any of the five years for which information is available.

As an administrative credit, the Franchise Tax Credit is not intended to change behavior or encourage economic activity like many other State tax credits. The reductions in individual or corporate tax revenues effectively offset 40.3 percent of net franchise tax revenues each year. Because the nonrefundable credits cannot be carried forward, an average of \$1.5 million of available credits expire each tax year. Therefore, if the franchise tax was eliminated for S corporations, eliminating the need for the Franchise Tax Credit, it is expected that General Fund revenues would fall by \$1.5 million.

⁵ Starting in tax year 2006, all corporate tax credits other than the Motor Vehicle Fuel Tax Credit are claimed on the IA 1120 as either refundable or non-refundable, similar to the IA 1040 for individual income taxpayers. Corporations and individuals now provide details about credit claims by completing the IA 148 Tax Credits Schedule, introduced in tax year 2006 to track all Iowa tax credit claims.

The Franchise Tax Credit can be claimed by both resident and nonresident households. Nonresidents account for an average of 20.1 percent of the number of Franchise Tax Credit claims and 22.7 percent of the dollars claimed using the Franchise Tax Credit (see Table 5). On average, 79.9 percent of claims are made by taxpayers living in the state. Residents claim more of the available credits than nonresidents as, on average, not even 7 percent of residents' credits expire while nearly 23 percent of nonresidents' available credits expire.

Note that the number of claims presented in Tables 5 and 6 differ from the number of claims shown in Tables 3 and 4. The reason for the difference is that Tables 3 and 4 reflect claims by individual taxpayers regardless of filing status. In Tables 5 and 6, the data is presented as household claims. Therefore if a married couple filed their Iowa taxes using the married filing separate status and each spouse claimed a Franchise Tax Credit, in Tables 3 and 4, those claims are counted as two claims by individual taxpayers, but in later tables those claims are aggregated as one claim by one household.

The Franchise Tax Credit is claimed by taxpayers across the income distribution (see Table 6). Total and average claims increase with AGI. In every tax year between 2006 and 2009 the largest number of claims is made by the households with AGI between \$250,001 and \$500,000. The average claim for that group over the four years is nearly \$6,000. The income group with the greatest total amount of claims is the households with \$1 million or more of adjusted gross income. The average total amount claimed by this group each year is over \$5.2 million or 45 percent of total annual credit claims.

IV. Conclusion

The Franchise Tax Credit was created to eliminate double taxation of shareholders in financial institutions that are organized as S corporations and therefore distribute taxable income to those shareholders. Based on credit claims, it appears that the majority of shareholders in Iowa banks are residents of the state. Nonresident households that own shares in financial institutions appear to hold more shares than the average resident household. But while the average credit passed through to a nonresident household is greater, they generally have less tax liability than residents and therefore nearly one-quarter of their credits end up expiring each year, which benefits the State General Fund.

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**Iowa's Franchise Tax Credit
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Tables and Figures

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Table 1. Financial Institution Taxes in Other States

State	Method of Taxation	Rate	Affected Institutions
Alabama	Excise Tax on Financial Institutions	6.5% of net income	National banking associations, banks, banking associations, trust companies, industrial or other loan companies, or building and loan associations.
Alaska	Corporate Income Tax	Graduated rates ranging from 1% to 9.4% of taxable income.	Any corporation that is doing business in the state.
Arizona	Corporate Income Tax	6.968% (starting with federal taxable income).	Any corporation or bank that is doing business in the state.
Arkansas	Corporate Income Tax	Graduated rates ranging from 1% to 6.5% of net taxable income.	Any corporation that is doing business in the state.
California	Corporation Franchise Tax	10.84% for C corporations or 3.5% for S corporations	Banks or financial corporations.
Colorado	Corporate Income Tax	4.63% of corporate income.	Any corporation that is doing business in the state.
Connecticut	Corporate Income Tax	7.5% on net income.	Business entities that are generally considered to be engaged in the business of lending money, extending credit, or otherwise dealing in money capital.
Delaware	Bank Franchise Tax	The standard franchise tax rates are: 8.7% for taxable income not greater than \$20 million; 6.7% for taxable income between \$20 million and \$25 million; 4.7% for taxable income between \$25 million and \$30 million; 2.7% for taxable income between \$30 million and \$650 million; and 1.7% for taxable income greater than \$650 million. There is also an alternative franchise tax available.	Banks, trust companies, federal savings banks, and building and loan associations.
Florida	Corporate Income Tax	5.5% of net income.	Any corporation that is doing business in the state.
Georgia	Corporate Income Tax	6.0% of taxable net income.	Any corporation that is doing business in the state.
Hawaii	Franchise Tax	7.92% of net income.	National banking associations, banks, corporations doing a banking business, foreign banks, federal savings and loan associations, building and loan associations, financial services loan companies, financial holding companies, mortgage loan companies, trust companies, financial corporations, small business investment companies, and development companies.

Table 1 (continued). Financial Institution Taxes in Other States

State	Method of Taxation	Rate	Affected Institutions
Idaho	Corporate Income Tax	7.6% of taxable income.	Any corporation that is doing business in the state.
Illinois	Corporate Income Tax	7% income tax and 2.5% replacement tax.	Any corporation that is doing business in the state.
Indiana	Financial Institution Tax	8.5% of adjusted gross income.	Any corporation transacting the business of a financial institution, including a holding company, a regulated financial corporation, a subsidiary of a holding company or regulated financial corporation, or any other corporation carrying on the business of a financial institution.
Iowa	Franchise Tax	5% of taxable income.	State banks, national banking associations, trust companies, federally and state chartered savings and loan associations, financial institutions chartered by the Federal Home Loan Bank Board and production credit associations. Does not include credit unions.
Kansas	Privilege Tax	2.25% of net income and a surtax of 2.125% of net income in excess of \$25,000.	State and national banks, trust companies, and savings and loan associations.
Kentucky	Franchise Tax	1.1% of the net capital averaged over a 5 year span that is apportioned to Kentucky.	State banks (except banker's banks), national banking associations, any corporation organized under 12 U.S.C. sections 611 to 631, and any agency or branch of a foreign depository as defined in 12 U.S.C. section 3101.
Louisiana	Corporate Income Tax	Graduated rates ranging from 4% to 8% of net income.	Any corporation that is doing business in the state.
Maine	Franchise Tax	A taxpayer has two options: Option 1 - A tax on Maine income and Maine assets equal to the sum of 1% of the financial institution's Maine net income plus 0.008% of its Maine assets. Option 2 - A tax on Maine assets only, equal to 0.039% of the financial institution's Maine assets.	Bank, bank holding company, thrift institution, savings association, insured institution, savings bank holding company, qualified savings bank, insured depository institution, appropriate federal banking agency or qualified family partnership, or any other financial institution authorized to do business in the state. Credit unions are not included.
Maryland	Corporate Income Tax	8.25% of taxable income.	Any corporation that is doing business in the state.
Massachusetts	Financial Institution Excise Tax	9% of taxable net income (this rate becomes effective for taxable years beginning on or after January 1, 2012).	Banks, trust companies, federal or state savings and loan associations, similar business type holding companies, and other corporations in substantial competition with financial institutions in the state that derive more than 50% of gross income from loan origination, lending activities, or credit card activities. Does not include credit unions.

Table 1 (continued). Financial Institution Taxes in Other States

State	Method of Taxation	Rate	Affected Institutions
Michigan	Business Tax for Financial Institutions	0.235% on net capital.	Bank holding company, a national bank, state chartered bank, an office of thrift supervision chartered bank or thrift institution, or a savings and loan holding company other than a diversified savings and loan holding company or a federally chartered Farm Credit System institution.
Minnesota	Corporation Franchise Tax	9.8% of corporate income.	Any corporation that is doing business in the state.
Mississippi	Corporate Income and Franchise Tax	Graduated rates ranging from 3% to 5% of taxable income.	Any corporation that is doing business in the state.
Missouri	Bank Franchise Tax	0.033 percent of the par value of shares outstanding apportioned to Missouri, not to exceed the amount of tax from the 2010 taxable year.	Banks, trust companies, national banking associations located within the state.
Montana	Corporation License Tax	6.75% of net income.	Any corporation that is doing business in the state.
Nebraska	Financial Institutions Tax	\$0.47 per \$1,000 of average deposits (calculated quarterly), but limited to 3.81% of the institution's net financial income.	Any bank, building and loan association, cooperative credit association, credit union, industrial loan and investment company, savings and loan association, savings bank chartered or qualified to do business in Nebraska, or any subsidiary of the entities listed above.
Nevada	Modified Business Tax - Financial Institutions	2% of the gross wages less employee health care benefits paid by the employer.	Banks, lending institutions, credit card companies, investment companies. Does not include federal credit unions.
New Hampshire	Business Enterprise Tax or Business Profits Tax	The Business Enterprise Tax rate is 0.75% and the Business Profits Tax rate is 8.5%.	All business organizations.
New Jersey	Banking and Financial Corporation Business Tax	Graduated rates ranging from 6.5% to 9% of entire net income.	Banking and financial corporations.
New Mexico	Corporate Income Tax	Graduated rates ranging from 4.8% to 7.6% of net income.	Any corporation that is doing business in the state.

Table 1 (continued). Financial Institution Taxes in Other States

State	Method of Taxation	Rate	Affected Institutions
New York	Franchise Tax	Tax is paid on the highest of four bases: entire net income, alternative entire net income, assets, or a \$250 fixed minimum amount.	Corporations organized as banks and trust companies, subsidiary trust companies, foreign banking corporations and national banks, New York business development corporations, interstate branches, savings banks or savings and loan associations.
North Carolina	Privilege Tax	\$30 for each \$1,000,000 of total assets, which is determined by averaging assets reported on quarterly reports.	Commercial banks, industrial banks, savings banks, and trust companies.
North Dakota	Financial Institution Tax	6.5% of taxable income.	Banks, trust companies, building and loan associations, and other financial institutions, including bank holding companies, production credit associations, and leasing companies
Ohio	Corporation Franchise Tax	The first \$50,000 of net income is taxed at 5.1%. Net income over \$50,000 is taxed at 8.5%.	Financial holding companies, bank holding companies, savings and loan holding companies, corporations directly or indirectly owned by one or more financial institutions that pay the franchise tax, corporations directly or indirectly owned by one or more insurance companies when such subsidiary corporations are engaged in insurance-type activities, and "securitization " companies.
Oklahoma	Bank Privilege Tax	6% of taxable income	State banking associations, national banking associations, and credit unions.
Oregon	Corporate Excise Tax	For tax years beginning on or after January 1, 2011 and before January 1, 2013 the tax rate is 6.6% on the first \$250,000 of taxable income and 7.6% on any amount of taxable income in excess of \$250,000. The threshold increases from \$250,000 to \$10 million for tax years beginning on or after January 1, 2013 (that is 6.6% on the first \$10 million and 7.6% of any amount of taxable income in excess of \$10 million)	Any corporation or bank that is doing business in the state.
Pennsylvania	Bank and Trust Company Shares Tax	1.25% of the book value of shares as of January 1st.	Banks, trust companies, and every company organized and operating as a bank and trust company or as a trust company.

Table 1 (continued). Financial Institution Taxes in Other States

State	Method of Taxation	Rate	Affected institutions
Rhode Island	Franchise Tax	9.0% of net income, although state banks can alternatively pay \$2.50 per each \$10,000 of authorized capital stock. All banking institutions are subject to a minimum tax of \$100.	State banks, federal savings banks, trust companies, national banking associations, mutual savings banks, building and loan associations, and loan and investment companies. Does not include credit unions or or passive investment companies.
South Carolina	Bank Tax	4.5% of net income.	Any person engaged in a banking business, except cash depositories.
South Dakota	Bank Franchise Tax	As income rises, the tax rate decreases from 6% to 0.25%.	Banks, banking institutions, savings and loan associations, mutual savings banks, or trust companies, and any person in the business of buying loans, notes, or other evidence of debt but not including brokers.
Tennessee	Franchise and Excise Tax	Excise tax is 6.5% of net income . Franchise tax basis is the greater of the calculated net worth or the total value of real and tangible personal property owned by the firm at a rate of \$0.25 per \$100 of basis value. There is a minimum franchise tax due of \$100.	A holding company, any regulated financial corporation, subsidiary of a holding company or a regulated financial corporation, investment entity that is indirectly more than 50% owned by a holding company or a regulated financial corporation, or any other person that is carrying on the business of a financial institution. Does not include insurance companies.
Texas	Franchise Tax	1% of apportioned taxable margin, however if total revenue is \$10 million or less (the starting point for determining taxable margin), a financial institution could opt to be taxes on 0.575% of total revenue.	Partnerships, corporations, LLCs, business trusts, professional associations, business associations, joint ventures and other legal entities, but does not apply to sole proprietorships.
Utah	Corporation Franchise or Income Tax	5% of taxable income.	Any corporation that is doing business in the state.
Vermont	Bank Franchise Tax	0.0096% of monthly deposits held within the bank (0.1152% annual basis).	National banks, federal association, state financial institution, Vermont financial institution. Credit unions or federally chartered banks are not included.
Virginia	Bank Franchise Tax	\$1 tax per \$100 net taxable capital.	Banks, banking associations, savings banks, trust companies, and joint stock land banks.

Table 1 (continued). Financial Institution Taxes in Other States

State	Method of Taxation	Rate	Affected Institutions
Washington	Gross Receipts Business Tax	1.8% of income derived in the state.	Financial institutions doing business in the state.
West Virginia	Corporate Income Tax and General Business Franchise Tax	Corporate income tax is 8.5% of net income and general business franchise tax is 0.34% of net equity (the franchise tax is being phased out over the next four years).	Any corporation or bank that is doing business in the state.
Wisconsin	Corporate Income Tax and Franchise Tax	7.9% on net income.	Any corporation or bank that is doing business in the state.
Wyoming	There is no corporate income or franchise taxes collected in this state.		

Table 2. Net Franchise Tax Revenues by Fiscal Year and Franchise Tax Credit Claims by Tax Year

	<u>Net Franchise Tax Revenues</u>		<u>Franchise Tax Credit Claims</u>	<u>Percent of Revenues Claimed as Credits</u>
FY 2007	\$31,932,477	TY 2006	\$10,991,674	34.4%
FY 2008	\$33,742,962	TY 2007	\$12,173,145	36.1%
FY 2009	\$28,190,845	TY 2008	\$11,580,358	41.1%
FY 2010	\$26,891,549	TY 2009	\$12,011,557	44.7%
FY 2011	\$31,461,594	TY 2010*	\$14,513,782	46.1%
Average	\$30,443,885		\$12,254,103	40.3%

Source: IA 148 Tax Credits Schedule and State revenue and refund accounts

*Incomplete Tax Year

Table 3. Franchise Tax Credit Claims by Tax Year and Tax Type, 2006-2010

Tax Year	<u>Corporate Income Tax</u>		<u>Individual Income Tax</u>		<u>Total</u>	
	<u>Number of Claims</u>	<u>Total Claims</u>	<u>Number of Claims</u>	<u>Total Claims</u>	<u>Number of Claims</u>	<u>Total Claims</u>
2006	17	\$24,834	2,124	\$10,966,840	2,141	\$10,991,674
2007	17	\$18,646	2,470	\$12,154,499	2,487	\$12,173,145
2008	4	\$8,760	2,550	\$11,571,598	2,554	\$11,580,358
2009	5	\$9,970	2,508	\$12,001,587	2,513	\$12,011,557
2010*	4	\$8,252	2,400	\$14,505,530	2,404	\$14,513,782
Average	9	\$14,092	2,410	\$12,240,011	2,420	\$12,254,103

Source: IA 148 Tax Credits Schedule which was introduced in tax year 2006.

*Incomplete Tax Year

Table 4. Franchise Tax Credits Available, Claimed, and Expired by Tax Year, 2006-2010

Tax Year	Number of Taxpayers	Franchise Tax Credits Available	Number of Taxpayers	Franchise Tax Credit Claims	Number of Taxpayers	Franchise Tax Credits Expired	Percent Expired
2006	2,141	\$12,398,756	2,087	\$10,991,674	413	\$1,415,867	11.4%
2007	2,487	\$13,625,361	2,396	\$12,173,145	488	\$1,466,816	10.8%
2008	2,554	\$13,759,221	2,439	\$11,580,358	571	\$2,158,743	15.7%
2009	2,513	\$13,508,177	2,381	\$12,011,557	543	\$1,596,055	11.8%
2010*	2,404	\$15,754,547	2,322	\$14,513,782	453	\$1,258,024	8.0%
Average	2,420	\$13,809,212	2,325	\$12,254,103	494	\$1,579,101	11.4%

Source: IA 148 Tax Credits Schedule

*Incomplete Tax Year

Table 5. Franchise Tax Credit Claims by Resident Status and Tax Year, 2006-2009

Tax Year	Resident Status	Number of Households	Amount Available	Amount of Claims	Amount Expired	Percent of Claims	Percent of Claim Dollars	Percent Expired
2006	Nonresident	365	\$3,486,883	\$2,610,544	\$876,339	21.0%	24.3%	25.1%
	Resident	1,372	\$8,457,188	\$8,115,548	\$350,425	79.0%	75.7%	4.1%
2007	Nonresident	418	\$3,223,587	\$2,676,242	\$547,507	21.0%	22.5%	17.0%
	Resident	1,577	\$10,061,420	\$9,242,566	\$833,292	79.0%	77.5%	8.3%
2008	Nonresident	408	\$3,364,358	\$2,513,514	\$847,220	19.9%	21.9%	25.2%
	Resident	1,646	\$9,662,695	\$8,953,282	\$692,917	80.1%	78.1%	7.2%
2009	Nonresident	374	\$3,252,051	\$2,580,578	\$770,112	18.6%	22.0%	23.7%
	Resident	1,638	\$9,744,217	\$9,143,466	\$601,523	81.4%	78.0%	6.2%
Average	Nonresident	391	\$3,331,720	\$2,595,220	\$760,295	20.1%	22.7%	22.8%
	Resident	1,558	\$9,481,380	\$8,863,716	\$619,539	79.9%	77.3%	6.5%

Source: Iowa individual income tax returns and IA 148 Tax Credits Schedule

Table 6. Franchise Tax Credit Claims by Adjusted Gross Income and Tax Year, 2006-2009

Iowa Adjusted Gross Income	2006			2007		
	Count of Households	Total of Claims	Average Claim	Count of Households	Total of Claims	Average Claim
Less than \$20,000	69	\$18,230	\$264	56	\$18,591	\$332
\$20,001 to \$30,000	66	\$24,347	\$369	72	\$33,855	\$470
\$30,001 to \$40,000	79	\$42,472	\$538	90	\$53,316	\$592
\$40,001 to \$50,000	66	\$38,804	\$588	93	\$55,927	\$601
\$50,001 to \$60,000	71	\$49,512	\$697	88	\$86,070	\$978
\$60,001 to \$70,000	69	\$51,851	\$751	87	\$68,211	\$784
\$70,001 to \$80,000	62	\$70,022	\$1,129	72	\$47,815	\$664
\$80,001 to \$90,000	58	\$62,677	\$1,081	79	\$90,049	\$1,140
\$90,001 to \$100,000	77	\$104,680	\$1,359	79	\$76,265	\$965
\$100,001 to \$125,000	142	\$207,899	\$1,464	168	\$243,713	\$1,451
\$125,001 to \$150,000	119	\$235,282	\$1,977	133	\$260,663	\$1,960
\$150,001 to \$175,000	73	\$189,122	\$2,591	88	\$232,846	\$2,646
\$175,001 to \$200,000	87	\$266,078	\$3,058	93	\$281,263	\$3,024
\$200,001 to \$250,000	133	\$452,423	\$3,402	131	\$410,098	\$3,131
\$250,001 to \$500,000	247	\$1,615,649	\$6,541	310	\$1,804,838	\$5,822
\$500,001 to \$1,000,000	180	\$2,635,247	\$14,640	192	\$2,588,622	\$13,482
\$1,000,001 or More	139	\$4,661,797	\$33,538	164	\$5,566,666	\$33,943
Total	1,737	\$10,726,092	\$6,175	1,995	\$11,918,808	\$5,974

Iowa Adjusted Gross Income	2008			2009		
	Count of Households	Total of Claims	Average Claim	Count of Households	Total of Claims	Average Claim
Less than \$20,000	60	\$12,395	\$207	61	\$11,506	\$189
\$20,001 to \$30,000	85	\$27,279	\$321	67	\$21,079	\$315
\$30,001 to \$40,000	88	\$44,635	\$507	68	\$28,929	\$425
\$40,001 to \$50,000	78	\$45,987	\$590	95	\$64,704	\$681
\$50,001 to \$60,000	72	\$48,913	\$679	96	\$76,598	\$798
\$60,001 to \$70,000	101	\$99,236	\$983	81	\$76,131	\$940
\$70,001 to \$80,000	84	\$73,600	\$876	79	\$73,847	\$935
\$80,001 to \$90,000	72	\$60,352	\$838	91	\$114,689	\$1,260
\$90,001 to \$100,000	71	\$63,217	\$890	86	\$88,462	\$1,029
\$100,001 to \$125,000	165	\$231,275	\$1,402	182	\$221,526	\$1,217
\$125,001 to \$150,000	148	\$289,524	\$1,956	148	\$174,077	\$1,176
\$150,001 to \$175,000	125	\$293,988	\$2,352	115	\$236,216	\$2,054
\$175,001 to \$200,000	87	\$199,072	\$2,288	97	\$174,325	\$1,797
\$200,001 to \$250,000	142	\$409,589	\$2,884	137	\$474,398	\$3,463
\$250,001 to \$500,000	313	\$1,709,776	\$5,463	307	\$1,848,594	\$6,021
\$500,001 to \$1,000,000	216	\$2,669,714	\$12,360	179	\$2,630,721	\$14,697
\$1,000,001 or More	147	\$5,188,244	\$35,294	123	\$5,404,318	\$43,938
Total	2,054	\$11,466,796	\$5,583	2,012	\$11,720,120	\$5,825

Source: Iowa individual income tax returns and IA 148 Tax Credits Schedule

Note: Not all credit claims could be matched to individual tax returns, which explains why tax year totals are below those seen in earlier tables.