

Corporation name: _____

Federal Employer Identification Number (FEIN): _____ Tax period: _____

For filing status 2 or 3 only. If you need more space than provided, you may copy this schedule.

Note: You must enclose pages 1-5 of your consolidated federal return.

| | Company Name | Company FEIN | Profit (A) | Loss (B) |
|-----|--------------|--------------|------------|----------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. | | | | |
| 13. | | | | |
| 14. | | | | |
| 15. | | | | |
| 16. | | | | |
| 17. | | | | |
| 18. | | | | |
| 19. | | | | |
| 20. | | | | |
| 21. | | | | |
| 22. | | | | |
| 23. | | | | |
| 24. | | | | |
| 25. | | | | |

26. Subtotal. Use in computing federal refund/deduction. _____

27. Consolidating Adjustments and Eliminations..... _____

28. Total. Must equal taxable income per federal return. _____

29. Separate company income/loss _____

30. Federal taxable income/loss from line 26 _____

31. Federal tax/refund as reported to the Internal Revenue Service _____

32. Percent allowed as an addition/reduction 50%

33. Federal Refund/Deduction. Divide line 29 by line 30, multiply by line 31,
then multiply by line 32. Enter on IA 1120, line 5..... _____



Schedule H General Instructions

This schedule must be used when the corporation files as part of a consolidated group for federal purposes. Use extra pages if necessary to list all companies included in the consolidated federal return.

Iowa Schedule H has three parts:

- Schedule H1 calculates the federal tax deduction/refund.
- Information from the consolidating income statements for each company included in the consolidated federal return is entered on Schedule H2.
- Schedule H3 is used to reconcile the consolidating income statements (Schedule H2) with the consolidated federal return.

Schedule H1 Instructions

List in column A the federal taxable income after the net operating loss (NOL) and special deductions or in column B the federal taxable loss for each company computed as if a separate federal corporation income tax return was filed. Normally, this would be from the federal 1120, line 30.

Complete lines 29 through 33 of Schedule H1 as follows:

Line 29: Show federal taxable income of the company(s) reported on this Iowa return (see instructions for formula below).

Line 30: Enter the total from line 26, column A.

Line 31: Enter federal tax from the federal 1120.

Line 33: The allowed federal tax deduction is 50% of the federal income taxes paid or accrued during the tax year, to the extent the payment is for a tax year beginning prior to January 1, 2021. The deduction should be computed using one of the following methods.

Accrual basis taxpayers should determine the total tax shown on page 1 of federal form 1120 and use the formula shown below.

Cash basis taxpayers should compute the sum of federal taxes paid during the current tax period and federal motor fuel tax credits applied against the tax liability for the current tax period for tax years beginning before January 1, 2021, less any federal refunds received during the current tax period to the extent the refund was for federal taxes deducted on an Iowa return in a year beginning prior to January 1, 2021 using the formula shown below on each period producing payments or refunds.

$$\begin{array}{l} \text{(Separate} \\ \text{Company} \\ \text{Federal} \\ \text{Taxable} \\ \text{Income} \end{array} \div \begin{array}{l} \text{Sum of all} \\ \text{Positive} \\ \text{Companies} \\ \text{Included in the} \\ \text{Consolidated} \\ \text{Taxable Income} \\ \text{Statements)} \end{array} \times \begin{array}{l} \text{Total Tax Reported} \\ \text{on the Consolidated} \\ \text{Federal Return (IA} \\ \text{1120, Schedule H1,} \\ \text{line 31)} \end{array} \times 50\% = \text{Federal Tax} \\ \text{Deduction}$$

If your company files a consolidated Iowa return, the numerator in the above equation is the sum of the incomes of the profit companies included in the consolidated Iowa return. This formula is referred to as the "revenue producer's formula." The federal tax deduction is reported on IA 1120, line 5.

If the federal consolidated return reports a NOL which is carried back, the federal refund is computed substituting loss companies in place of taxable income companies in the above formula. This formula is known as the "loss producer's formula." The federal refund is reported on IA 1120, line 2, in the loss year.

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| | Company | Company |
|--|---------|---------|
| Company Name | | |
| Company FEIN | | |
| 1a. Gross receipts or sales | | |
| 1b. Less returns & allowances | | |
| 1c. Balance | | |
| 2. Cost of goods sold | | |
| 3. Gross profit | | |
| 4. Dividends | | |
| 5. Interest | | |
| 6. Gross rents | | |
| 7. Gross royalties | | |
| 8. Capital gain net income | | |
| 9. Net gain (loss) from federal 4797 | | |
| 10. Other income | | |
| 11. Total income | | |
| 12. Compensation of officers | | |
| 13. Salaries and wages | | |
| 14. Repairs and maintenance | | |
| 15. Bad debts | | |
| 16. Rents | | |
| 17. Taxes and licenses | | |
| 18. Interest | | |
| 19. Charitable contributions | | |
| 20. Depreciation | | |
| 21. Depletion | | |
| 22. Advertising | | |
| 23. Pension, profit-sharing, etc., plans | | |
| 24. Employee benefit programs | | |
| 25. Domestic production activities deduction for tax years prior to 2019 | | |
| 26. Other deductions | | |
| 27. Total deductions | | |
| 28. Taxable income before NOL & special deductions | | |
| 29a. NOL deduction | | |
| 29b. Special deductions | | |
| 30. Taxable income | | |



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| | Combined | Eliminations | Adjustments | Consolidated Return |
|--|----------|--------------|-------------|---------------------|
| 1a. Gross receipts or sales | | | | |
| 1b. Less returns & allowances | | | | |
| 1c. Balance | | | | |
| 2. Cost of goods sold | | | | |
| 3. Gross profit | | | | |
| 4. Dividends | | | | |
| 5. Interest | | | | |
| 6. Gross rents | | | | |
| 7. Gross royalties | | | | |
| 8. Capital gain net income | | | | |
| 9. Net gain (loss) from federal 4797 | | | | |
| 10. Other income | | | | |
| 11. Total income | | | | |
| 12. Compensation of officers | | | | |
| 13. Salaries and wages | | | | |
| 14. Repairs and maintenance | | | | |
| 15. Bad debts | | | | |
| 16. Rents | | | | |
| 17. Taxes and licenses | | | | |
| 18. Interest | | | | |
| 19. Charitable contributions | | | | |
| 20. Depreciation | | | | |
| 21. Depletion | | | | |
| 22. Advertising | | | | |
| 23. Pension, profit-sharing, etc., plans | | | | |
| 24. Employee benefit programs | | | | |
| 25. Domestic production activities deduction for tax years prior to 2019 | | | | |
| 26. Other deductions | | | | |
| 27. Total deductions | | | | |
| 28. Taxable income before NOL & special deductions | | | | |
| 29a. NOL deduction | | | | |
| 29b. Special deductions | | | | |
| 30. Taxable income | | | | |

