

Summary of 2018 Key Effective Dates

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

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| 529 Plan and ABLE Transfer Conformity | Effective for tax years beginning on or after Jan. 1, 2018 |
| K-12 Tuition Withdrawals from 529 Plans | |
| Taxpayers Trust Fund Credit | Repealed effective Jan. 1, 2018 |
| Earned Income Tax Credit Conformity | Effective for tax years beginning on or after Jan. 1, 2018 but before Jan. 1, 2019 |
| Tax-free IRA Charitable Distributions | |
| Teacher Expense Deduction Conformity | |
| Sales & Use Tax Deduction Conformity | |
| Accounting Method Conformity | |
| Pension Rollover Conformity | |

Income Tax Changes for Business

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| Research Activities Credit: Limitation on Businesses Eligible for Credit | Effective for tax years beginning on or after Jan. 1, 2017 |
| Accounting Method Conformity | Effective for tax years beginning on or after Jan. 1, 2018 but before Jan. 1, 2019 |
| Like-kind Exchange Allowed for certain personal property | Available to individuals for exchanges during tax years beginning on or after Jan. 1, 2018 and before Jan. 1, 2020 |
| Section 179 Deduction Increase (No Bonus Depreciation) | Phase-in begins in tax years beginning on or after Jan. 1, 2018 for individuals and entities other than corporations. |
| Transitional rule for Individuals with Multiple Passthrough Interests with Section 179 Expensing | Available for tax years beginning on or after Jan. 1, 2018 but before Jan. 1, 2020 |

Sales Tax and Excise Tax Changes

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| Manufacturing Exemption Changes | Effective for sales made on or after May 30, 2018 |
| Photography & Retouching Services Taxed as Taxable Services | Effective for sales made on or after July 1, 2018 |
| “Bundled Transaction” definition | Effective for sales made on or after July 1, 2018 |

