

## Summary of 2019 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

All Individual Rates Reduced, Top Rate Becomes 8.53%	Effective for tax years beginning on or after Jan. 1, 2019
General Conformity to most provisions of Tax Cuts and Jobs Act (TCJA), as amended	
State and Local Tax (SALT) Deduction Not Capped	
School Tuition Organization Tax Credit	Annual Cap increased beginning Jan. 1, 2019
Geothermal Tax Credit	Repealed Jan. 1, 2019

### Sales Tax and Excise Tax Changes

Marketplace Fairness - Marketplace Facilitator & Out-of-State Retailer Collection Requirements	Effective for sales made into IA on or after Jan. 1, 2019
Digital Photographs/Electronically Transferred Products Taxable	Effective for sales made on or after Jan. 1, 2019
Base Modernization and Parity Provisions (Digital Economy)	
Local Option Sales Tax (LOST) changes	
Hotel/Motel Tax Marketplace Modernization	
Auto Rental Tax Marketplace Modernization	

### Income Tax Changes for Business

General Conformity to most provisions of TCJA, as amended	Effective for tax years beginning on or after Jan. 1, 2019
Qualified Business Income Deduction	Phase-in begins for tax years beginning on or after Jan. 1, 2019 through Jan. 1, 2022
Section 179 Deduction Increase (No Bonus Depreciation)	Phase-in begins for tax years beginning on or after Jan. 1, 2019 for 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