2014 IA 1040C Composite Individual Income Tax Return

Partnerships, Subchapter S Corporations, Trusts, and Limited Liability Companies for filing on behalf of Nonresident Partners, Shareholders, Beneficiaries, or Members

For Calendar Year 2014

or fiscal year beginning ____/____, 2014, and ending ____/____, 20____

PLEASE NOTE: A copy of federal Schedule K-1 for ALL Iowa nonresidents must be included with this return, regardless of whether or not they are reporting income or remitting tax with this form.

MAIL TO:
COMPOSITE RETURN PROCESSING
DEPARTMENT OF REVENUE
PO BOX 9187
DES MOINES IA 50306-9187

STEP 1 Name and Address

Complete Company Name

FEIN •

Current Mailing Address (number, street, apartment number, suite)

Post Office Box

City, State, and ZIP Code

Name of Contact Person

Daytime Telephone Number

Check Only One

This return is for:

- ☐ Partners
- ☐ Shareholders
- ☐ Beneficiaries
- ☐ Members

STEP 2 Exemption Credits

Enter the number of individuals whose Iowa-source income exceeds the minimum amount required to be included in this return. See instructions. ..... ▲ _____ X $40 = _____

STEP 3 Composite Income

1. Enter the total Iowa-source income of all individuals whose Iowa-source income exceeds the minimum amount required to be included in this return. ..... 1. ▲ _____.00

STEP 4 Deductions

2. Deduction in lieu of federal tax deduction. See instructions. ..... 2. ▲ _____.00
3. Standard deduction. See instructions. ..... 3. ▲ _____.00
4. Total deductions. ADD lines 2 and 3. ..... 4. _____.00
5. Composite taxable income. SUBTRACT line 4 from line 1. ..... 5. _____.00

STEP 5 Tax

6. Computed tax. Apply line 5 to rate schedule on back. ..... 6. ▲ _____.00
7. Minimum tax. See instructions. ..... 7. ▲ _____.00
8. Total tax. ADD lines 6 and 7. ..... 8. _____.00

STEP 6 Credits

9. Personal exemption credits - Nonrefundable. See Step 2 above..... 9. _____.00
10. Other nonrefundable credits. Include IA 148 Tax Credits Schedule. ..... 10. ▲ _____.00
11. Total nonrefundable credits. ADD lines 9 and 10. ..... 11. _____.00
12. Balance. SUBTRACT line 11 from line 8. If less than zero, enter zero. ..... 12. ▲ _____.00
13. Other refundable credits. Include IA 148 Tax Credits Schedule. ..... 13. ▲ _____.00
14. Balance. SUBTRACT line 13 from line 12. If less than zero, enter zero. .. 14. ▲ _____.00
15. Taxpayers trust fund tax credit. See instructions. ..... 15. ▲ _____.00
16. Estimated payments for 2014 and/or prior-year credit carryover. ..... 16. ▲ _____.00
17. Total credits. ADD lines 13, 15, and 16. ..... 17. _____.00

STEP 7 Figure Your Refund or the Amount You Owe

18. If line 17 is more than line 12, SUBTRACT line 12 from line 17. This is the amount you OVERPAID. ..... 18. ▲ _____.00
19. Amount of line 18 to be REFUNDED to you ..... 19. ▲ _____.00
20. Amount of line 18 to be applied to your 2015 estimated tax ..... 20. ▲ _____.00
21. If line 17 is less than line 12, SUBTRACT line 17 from line 12. This is the AMOUNT OF TAX YOU OWE. ..... 21. ▲ _____.00
22. Penalty. See instructions. ..... 22. ▲ _____.00
23. Interest. See instructions. ..... 23. ▲ _____.00
24. TOTAL AMOUNT DUE. ADD lines 21, 22, and 23, and enter here. ..... 24. ▲ _____.00

Make check payable to TREASURER, STATE OF IOWA

I (We), the undersigned, declare under penalty of perjury that I (we) have examined this return and attachments, and, to the best of my (our) knowledge and belief, it is a true, correct, and complete return. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Signature of Officer: _____ Date: _____

Title: _____

Daytime Telephone Number: _____

Preparer's Signature: _____ Date: _____

Preparer's PTIN: _____

Firm Name: _____

Firm's FEIN: _____

SIGN AND DATE YOUR RETURN

FOR A CALENDAR YEAR FILER, THIS RETURN IS DUE BY April 30, 2015

Instructions for Composite Iowa Individual Income Tax Return

Election of Composite Filing

Composite returns for the 2014 calendar year must be filed by April 30, 2015. An automatic 6-month extension for filing is available **only** if 90% of the tax due is paid by the original due date. The Department must be notified in writing before a taxpayer chooses to discontinue filing composite returns.

Filing Requirements

Nonresident partners, shareholders, members, or beneficiaries cannot be included in a composite return if the nonresident does not have more income from Iowa sources than the amount of one standard deduction for a single taxpayer plus an amount of income necessary to create a tax liability at the effective tax rate on the composite return sufficient to offset one personal exemption. See line 6 for minimum filing requirements.

In addition, the above individuals should not be included if they have income from Iowa sources other than from the partnership or other entity; these individuals are required to file Iowa individual income tax returns.

Line Instructions

1. Each nonresident partner's, shareholder's, or member's Iowa K-1 will show that partner's, shareholder's, or member's income and nonresident modifications that are apportioned to Iowa. The apportioned amount of each item of Iowa K-1 income that is a part of federal adjusted gross income and the apportioned modifications of all nonresident partners, all nonresident shareholders, and/or all members included in this composite return are to be totaled and entered on this line. Nonresidents with other Iowa-source incomes are not to be included on the IA 1040C.

   Beneficiaries of a trust do not have an Iowa K-1, only a federal K-1. Consequently, when nonresident beneficiaries are included in the filing of a composite return with Iowa, they must total all income and/or capital gain from real property or tangible personal property located in Iowa and any other business income attributable to Iowa and enter on this line.

2. A deduction is allowed in lieu of the deduction for federal tax paid and is based upon the following schedule:

Amount shown on line 1		Deduction
0 -	$49,999 =	No deduction
$50,000 -	$99,999 =	5% of line 1
$100,000 -	$199,999 =	10% of line 1
Over	$200,000 =	15% of line 1

3. For 2014 the standard deduction allowed is $1,920.00.

6. Use the tax rate schedule above to figure your tax on composite Iowa taxable income. Also listed are the minimum requirements for each tax rate.

7. Partners, shareholders, or members reporting income on the composite return may also be subject to Iowa minimum tax. The Iowa minimum tax is imposed on most of the same tax preference and adjustment items treated as exclusions for federal alternative minimum tax purposes. Please see form IA 6251 to determine if any Iowa minimum tax is due, and enclose completed form if necessary.

	TAX RATE SCHEDULE						
Minimum	Over	But Not Over			Tax Rate		Of Excess Over
Income	$0	$1,515	$0.00	+	(0.36%	x	$0)
Filing	$1,515	$3,030	$5.45	+	(0.72%	x	$1,515)
Requirement	$3,030	$6,060	$16.36	+	(2.43%	x	$3,030)
$2,789	$6,060	$13,635	$89.99	+	(4.50%	x	$6,060)
$2,554	$13,635	$22,725	$430.87	+	(6.12%	x	$13,635)
$2,517	$22,725	$30,300	$987.18	+	(6.48%	x	$22,725)
$2,488	$30,300	$45,450	$1,478.04	+	(6.80%	x	$30,300)
$2,405	$45,450	$68,175	$2,508.24	+	(7.92%	x	$45,450)
$2,345	$68,175	over	$4,308.06	+	(8.98%	x	$68,175)

9. The personal exemption credit for each partner, shareholder, or member is $40.

10. Enter the total of the nonrefundable credits from Part I of the IA148 Tax Credits Schedule. You must complete the IA148 to include the total of all member's credits that are included on this return. Provide an additional worksheet with the amount of the tax credit for each member included on the return or a copy of each member's IA Schedule K-1.

13. Enter the total of the refundable credits from Part II of the IA148 Tax Credits Schedule. You must complete the IA148 Tax Credits Schedule to include the total of all members' credits that are included on this return. Provide an additional worksheet with the amount of the tax credit for each member included on this return or a copy of each member's IA Schedule K-1.

15. The taxpayers trust fund tax credit for 2014 for each partner, shareholder, or member is $15, but cannot exceed the amount on line 14.

16. Enter the total amount of 2014 estimated tax payments and any of the prior year's refund applied to your estimated payments for 2014. Although estimated payments are not required, 2015 estimated payments may be made on form IA 1040ES.

22. If you do not mail your return by the due date and at least 90% of the correct tax is not paid, you owe an additional 10% of the tax due. If you file your return on time but do not pay at least 90% of the correct tax due, you owe an additional 5% of the tax due. If a payment is needed to meet the 90% requirement, it may be sent with form IA1040V using the partnership's, limited liability company's, S corporation's, or trust's identification number.

23. Interest is added at a rate of 0.4% per month beginning on the due date of the return and accrues each month until payment is made.

24. Payment may be made with form IA1040V.

ID Numbers

Enter preparer's PTIN, and firm's FEIN.