

## Iowa Tax Reform Guidance: Earned Income Tax Credit (EITC)

Iowa Governor Kim Reynolds signed Senate File 2417, an extensive state tax reform bill to improve the tax structure in Iowa. The 2018 Iowa Tax Reform Bill includes an updated federal conformity provision for tax year 2018, which allows the same Earned Income Tax Credit (EITC) calculation at the state level that is allowed at the federal level.

Parts of the federal EITC were previously set to expire after tax year 2017. The 2018 Iowa Tax Reform Bill allows taxpayers who are eligible for the EITC at the federal level will continue to be eligible for an EITC equal to 15% of the federal credit amount on their Iowa individual income tax return for tax year 2018 and beyond.

### Qualifying for the Iowa EITC

Taxpayers who would like to find out more information about the EITC should view [Publication 4194](#) or [visit the IRS for additional information](#).

### What does this mean?

Continuing in tax year 2018, taxpayers who are eligible for the EITC at the federal level are eligible for an Iowa EITC equal to 15% of the federal credit amount.



**Mission Statement:**

*The mission of the Iowa Department of Revenue is to serve Iowans and support state government by collecting all taxes required by law, but no more.*