

Do you have Illinois residents
who work in Iowa?

The Iowa / Illinois Reciprocal Agreement

Information for businesses
from the

IOWA  Department of **REVENUE**

What is it?

The Iowa / Illinois Reciprocal Agreement for individual income tax provides that **any wages or salary** made by an **Illinois resident working in Iowa** is taxable only to Illinois, and not to Iowa.

At this time, Iowa's only income tax reciprocal agreement is with Illinois.

Instructions for Illinois Residents

Complete and file [IA 44-016](#)

“Employee's Statement of Nonresidence in Iowa”

with the employer

so the employer will know it is appropriate

to withhold

Illinois income tax.

Income that is not wages or salaries

Iowa will tax
any Iowa-source income
received by an Illinois resident
that is not from wages or salaries.

Examples of income not considered wages or salaries
under the Iowa-Illinois Reciprocal Agreement:

Iowa gambling winnings

Unemployment compensation for employment in Iowa.

Questions?

- More information can be found in the [Iowa Withholding Tax Information Booklet](#)
- Call us: 8 a.m. - 4:15 p.m. CT
515-281-3114 or
1-800-367-3388 (Iowa, Omaha, Rock Island, Moline)
- E-mail us at idr@iowa.gov