# 2015 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 2015 or Fiscal year beginning_____/_____, 2015, and ending_____/_____, 20____

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

**STEP 1 Name and Address**

Company Name _____ FEIN_____

Current Mailing Address (number, street, apartment number, suite, PO Box) _____

City, State, and ZIP Code _____

Name of Contact Person _____ Daytime Telephone Number _____

This Return is for: (Check One)
Partners ☐
Shareholders ☐
Beneficiaries ☐
Members ☐

**STEP 2 Exemptions**

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 on 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. Compute tax from Tax Rate Schedule on page 2..... 6.▲_____.00
7. Iowa Alternative 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. The credit for 2015 is $0 ..... 15.▲_____0_____.00
16. Estimated and voucher payments made for tax year 2015 ..... 16.▲_____.00
17. Total credits. ADD lines 13, 15, and 16 ..... 17._____.00

**STEP 7 Refund or Amount Due**

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 ..... 19.▲_____.00
20. Amount of line 18 to be applied to your 2016 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, including all accompanying schedules and statements, 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_____

Title: _____ Date:_____

Daytime Telephone Number:_____

Preparer's Signature:_____

Preparer's PTIN:_____ Date:_____

Firm Name:_____

Firm's FEIN:_____

**SIGN AND DATE YOUR RETURN.**
**FOR A CALENDAR YEAR FILER, THIS RETURN IS DUE BY MAY 2, 2016.**

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

*1541006019999*

# Instructions for Composite Iowa Individual Income Tax Return

## Filing Requirements

Nonresident partners, shareholders, members, or beneficiaries can be included in a composite return if they meet the following requirements:

A nonresident member must have enough income to create a positive tax due. This minimum income requirement is met when the taxpayer's Iowa source income is reduced by the standard deduction, tax is calculated, the exemption credit is subtracted from the calculated tax, and Iowa tax due is still greater than $0.00. See below for minimum income required based upon tax brackets.

A nonresident member can be included if the income from this entity is the only Iowa-source income the member received for this tax year. Members with income from multiple Iowa sources must complete form IA1040 Iowa individual income tax return.

## Line Instructions

**Line 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.

**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 |

**Line 3:** For 2015, the standard deduction allowed is $1,950.00 for each partner, shareholder, or member.

**Line 7:** Partners, shareholders, or members reporting income on the composite return may also be subject to Iowa alternative minimum tax. The Iowa alternative 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 alternative minimum tax is due, and enclose completed form if necessary.

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

**Line 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 members' 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.

**Line 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.

**Line 15:** The taxpayers trust fund tax credit for 2015 for each partner, shareholder, or member is $0.

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

**Line 22:** Failure to Timely File a Return: A penalty of 10% will be added to the tax due for failure to timely file a return if the return is filed after the original due date of the return and if at least 90% of the correct amount of tax is not paid by the original due date of the return.

Failure to Timely Pay the Tax Due or Penalty for Audit Deficiency: A penalty of 5% will be added to the tax due if the return is filed by the original due date and at least 90% of the correct amount of tax is not paid by the original due date of the return.

When the failure to file penalty and the failure to pay penalty are both applicable, only the failure to file penalty will apply.
Penalty for Willful Failure to File: A penalty of 75% will be added to the tax due for willful failure to file a return or for filing with intent to evade tax.

**NOTE**: Penalties can only be waived under limited circumstances, as described in Iowa Code section 421.27.

**Line 23:** Interest must be added to delinquent tax. Interest is added at a rate of 0.4% per month beginning on the due date of the return and accrues each month until paid in full.

**Line 24:** Final payment for the return must be made with form 1040V.

**Tax Rate Schedule**

| Minimum Filing Requirement for each tax bracket | If line 5 is over | But Not Over | Tax Rate | | | Of Excess Over |
|---|---|---|---|---|---|---|
| Not applicable | 0 | 1,539 | 0 | plus | 0.36% | 0 |
| Not applicable | 1,539 | 3,078 | 5.54 | plus | 0.72% | 1,539 |
| Not applicable | 3,078 | 6,156 | 16.62 | plus | 2.43% | 3,078 |
| $2,839 | 6,156 | 13,851 | 91.42 | plus | 4.50% | 6,156 |
| $2,604 | 13,851 | 23,085 | 437.70 | plus | 6.12% | 13,851 |
| $2,567 | 23,085 | 30,780 | 1,002.82 | plus | 6.48% | 23,085 |
| $2,538 | 30,780 | 46,170 | 1,501.46 | plus | 6.80% | 30,780 |
| $2,455 | 46,170 | 69,255 | 2,547.98 | plus | 7.92% | 46,170 |
| $2,395 | 69,255 | over | 4,376.31 | plus | 8.98% | 69,255 |