

Name(s) _____ SSN _____

Part I: Sale of Employer Securities to a Qualified Iowa Employee Stock Ownership Plan (ESOP)

1. Name of Iowa corporation _____
2. Does the ESOP own at least 30% of all outstanding employer securities issued by the Iowa corporation?
No Sale is not eligible for Iowa capital gain deduction. Stop.
Yes Continue to Part II, line 1.

Part II: Details of Property Sold

1. Was the property sold owned by a C corporation?
No Continue to Part II, line 2.
Yes Sale is not eligible for Iowa capital gain deduction. Stop.
2. List all owner name(s) _____

3. Enter taxpayer's ownership share of the total property sold to three decimal places (for example 65.2%) 3. _____ %
4. Purchaser's name(s) _____

5. Is the capital gain from an installment sale?
No Continue to Part II, line 6.
Yes Enter the property installment sale information:
 - a. Start date..... 5a. _____
 - b. End date..... 5b. _____
 - c. Total gain received by taxpayer 5c. _____
 - d. Capital gain received by the taxpayer in tax year 2016.....5d. \$ _____
6. Enter the amount of taxpayer's capital gain received from this sale in tax year 2016 6. \$ _____
7. Iowa capital gain deduction. Multiply Part II, line 6 by 50% (0.5). Enter here and include on IA 1040 line 23 7. \$ _____



1641160019999

Instructions for 2016 IA 100F – Iowa Capital Gain Deduction Sale of Employer Securities to a Qualified Iowa ESOP

The Iowa capital gain deduction is subject to review by the Iowa Department of Revenue. The Department will use this form to verify that the taxpayer(s) qualifies for the deduction. The Department may request additional information if needed.

This completed form must be included with the IA 1040 to support the Iowa capital gain deduction claimed. Complete a separate IA 100F for each sale to a qualified Iowa ESOP. Complete the form each year of a qualifying installment sale, including all parts.

For taxpayers filing separately on the same return, each spouse must complete an IA 100F for the Iowa capital gain deduction claimed based on the spouse's ownership share in the property.

Flowcharts to assist in determining if a gain qualifies are also available in the expanded instructions online. For more information on the Iowa capital gain deduction, see the instructions below and 701 IAC 40.38.

Part I: Sale of Employer Securities to a Qualified Iowa Employee Stock Ownership Plan (ESOP)

Line 1. Enter the name of the Iowa corporation whose employer securities the taxpayer sold.

Line 2. Check the box to indicate whether, upon completion of the sale, the ESOP owned at least 30% of all outstanding employer securities issued by the Iowa corporation entered in Part I, line 1.

Part II: Details of Property Sold

Line 1. Check the box to indicate whether the taxpayer's capital gain resulted from the sale of employer securities by a C corporation. The sale of assets by a C corporation does not qualify for the Iowa capital gain deduction. Note: The gain from a corporate liquidation under Internal Revenue Code (IRC) section 331 may qualify for the Iowa capital gain deduction. If the gain is realized under IRC section 331, check "No" and continue to Part II, line 2.

Line 2. Enter the names of all persons and entities that owned the employer securities at the time of sale.

Line 3. Enter the taxpayer's ownership share of the employer securities sold at the time of the sale as a percentage to three decimal places (for example: 100.0%; 50.0%; 33.3%). The taxpayer's ownership share must be greater than zero.

Line 4. Enter the names of all persons and entities that purchased the employer securities.

Line 5. Check the box to indicate whether the capital gain comes from an installment sale. If "Yes," enter the date of the first installment, the expected date of the final installment, the total capital gain generated by the sale, and the capital gain the taxpayer received during tax year 2016. Do not include any interest received.

Line 7. Enter the amount of the taxpayer's capital gain deduction claimed, 50% of line 6. The eligibility of the Iowa capital gain deduction reported here is subject to further examination by the Department.

Questions?

Department website: <https://tax.iowa.gov>
515-281-3114 or 800-367-3388
Email: idr@iowa.gov