



# This Week in State Tax (TWIST)

October 2, 2023



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## Iowa: Corporate Rate Reduction Announced

On September 22, 2023, the Iowa Department of Revenue certified the calculation of a new corporate income tax rate for tax years beginning on or after January 1, 2024. Specifically, the top two Iowa corporate income tax rates applicable to income over \$100,000 and \$250,000 will be reduced from 8.4 percent to 7.1 percent. The rate reduction results from legislation enacted in 2022 that implemented a formula for reducing the corporate income tax rate if net corporate income tax receipts exceeded \$700 million for the immediately preceding fiscal year. The net corporate income tax receipts for fiscal year 2023 were \$838,064,990.88. This process will continue each year until the rate is 5.5 percent on all corporate income. Please contact Caroline Balfour with questions.

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