

**Order 2023-02, Certifying Iowa Corporate Income Tax Rates for 2024 under Iowa Code section 422.33(1)(b)**

**I. Certification of Iowa Corporate Income Tax Rates for Tax Years Beginning On or After January 1, 2024.**

On March 1, 2022, Governor Reynolds signed [House File 2317](#). Division IX of the bill contains a provision outlining a possible reduction in corporate income tax rates if a certain threshold is met. If the Department of Management determines that net corporate income tax receipts exceeded \$700 million for the immediately preceding fiscal year, the Department of Revenue will calculate what corporate income tax rates would have generated \$700 million in net corporate income tax receipts in that fiscal year. Those rates will then apply to tax years beginning on or after the next January 1. This process will continue until the corporate income tax rate is 5.5% for all corporate taxable income. All rates as determined by the Department of Revenue must be rounded down to the nearest 1/10th of 1 percent.

On September 20, 2023 the Department of Management determined that the net corporate income tax receipts for fiscal year 2023 were \$838,064,990.88. The Department of Revenue has determined that the top two Iowa corporate income tax rates should each be reduced to 7.1%. The Iowa corporate income tax rates for tax years beginning on or after January 1, 2024 are as follows:

| <b>Bracket</b>       | <b>Tax Rate</b> |
|----------------------|-----------------|
| \$0- \$25,000        | 5.5%            |
| \$25,001- \$100,000  | 5.5%            |
| \$100,001- \$250,000 | 7.1%            |
| > \$250,000          | 7.1%            |

The Director hereby certifies that the rates described above are correctly computed as required by Iowa Code section 422.33(1)(b) and shall apply for tax years beginning on or after January 1, 2024.

Issued at Des Moines, Iowa on this 22nd day of September, 2023.

IOWA DEPARTMENT OF REVENUE

By Mary Mosiman  
Mary Mosiman, Director