



To be used only if your federal AGI plus any bonus depreciation adjustment and all other decoupling on line 14 of the IA 1040 is more than \$159,950 (\$79,975 when claiming married filing separately for federal purposes).

This worksheet will compute the amount of itemized deductions to enter on line 26 of the IA Schedule A.

STEP 1

Complete the IA 1040 Schedule A, lines 1-25.

STEP 2

Re-compute the federal Itemized Deduction Worksheet:

1. Enter the sum of lines 3, 8, 13, 17, 18, 24, and 25 from the IA Schedule A 1. _____
2. Enter any Iowa income tax from line 5 of the federal Schedule A (do not include school district/EMS surtax) 2. _____
3. Add amounts from lines 1 and 2 3. _____
4. Add the amounts on Iowa Schedule A, lines 3, 12, 18, plus gambling losses and casualty or theft losses included on line 25 and enter here 4. _____
5. Is the amount on line 4 less than the amount on line 3?
 No. STOP! Your deduction is not limited. Enter the amount from line 1 above on the IA 1040, line 39
 Yes. Subtract line 4 from line 3 5. _____
6. Multiply line 5 by 80% (.80) 6. _____
7. Enter the amount from the federal 1040, line 38 plus any bonus depreciation adjustment and all other decoupling from line 14 of the IA 1040 7. _____
8. Enter: \$159,950 if single, married filing jointly, head of household or qualifying widow(er); \$79,975 if married filing separately (based on how your federal return was filed) 8. _____
9. Is the amount on line 8 less than line 7?
 No. STOP! Your deduction is not limited. Enter the amount from line 1 above on IA 1040, line 39
 Yes. Subtract line 8 from line 7 9. _____
10. Multiply line 9 by 3% (.03) 10. _____
11. Enter the smaller of line 6 or line 10 ... 11. _____
12. Divide line 11 by 1.5 12. _____
13. Subtract line 12 from line 11 13. _____
14. Total adjusted federal itemized deductions: Subtract line 13 from line 3 and enter on Step 3, line 1 of the IA 104 14. _____

STEP 3

Complete the IA 104 below:

1. Enter the revised allowable federal itemized deductions as shown on Step 2 line 14 at left 1. _____
2. Enter the amount from Step 2 line 4 at left 2. _____
3. Subtract line 2 from line 1 3. _____
4. Enter the amount from Step 2 line 3 at left 4. _____
5. Subtract line 2 from line 4 5. _____
6. Divide line 3 by line 5 and enter the percentage here. 6. _____ %
7. Enter the amount from Step 2 line 2 at left 7. _____
8. Multiply line 7 by the percent on line 6. . 8. _____
9. Subtract line 8 from line 1. Enter this amount on line 26 of the IA Schedule A. 9. _____

Keep this worksheet with your tax records.
DO NOT send it with your tax return.