

Iowa Tax NEWS

The quarterly newsletter of the Iowa Department of Revenue and Finance

Withholding agents: Expect new guide

If you have not received your new withholding guide, it should arrive shortly. A mass mailing is being made to all registered withholding agents.

The new withholding tables are effective for all payrolls made after 1-1-98.

Withholding amounts are now rounded to the nearest dollar.

Income tax changes and fast refunds

- ☑ The 100 percent health deduction now includes health insurance premiums for long-term nursing home coverage.
- ☑ The S Corp Credit is available to qualifying resident shareholders of value-added corporations by filing form IA 134 with the IA 1040.
- ☑ The Franchise Tax Credit is available to shareholders of financial institutions on the IA 1040.
- ☑ A total income tax exemption exists for active-duty military pay of persons in the National Guard or the armed forces military reserve who served overseas in the Bosnia-Herzegovina peacekeeping effort.

☑ Taxpayers with the Mortgage Interest Credit may claim on their Iowa return a deduction for all mortgage interest paid and not just the mortgage interest that was deducted on their Federal Schedule A. Use the Iowa long form.

☑ The Domestic Abuse Checkoff has been reinstated, and the Reform Party Checkoff has been added.



It is possible! This year, file your Federal and State income tax returns electronically and receive your refund in as little as three weeks. See your tax preparer.

Jurisdictions impose local option sales tax

Voters in the following jurisdictions have adopted the local option sales tax effective January 1, 1998. The county and county codes are listed in bold.

- Cherokee (18):** Quimby
- Dickinson (30):** Arnolds Park, Milford, Wahpeton, West Okoboji, Unincorporated Area
- Emmet (32):** Armstrong, Dolliver, Ringsted

Shelby (83): Defiance, Earling, Elk Horn, Irwin, Panama, Portsmouth, Shelby, Tennant, Westphalia

A complete list of all current local option sales tax jurisdictions is included on the back of this newsletter. An alphabetical list by city and other information about Iowa taxes are on our site on the

Worldwide Web:

<http://www.state.ia.us/tax>

Route to: _____ _____ _____

IOWA LOCAL OPTION SALES TAX JURISDICTIONS

All jurisdictions listed below have imposed the local option tax at a rate of 1 percent effective for the quarter beginning January 1, 1998.

COUNTY / CODE	JURISDICTIONS	EFFECTIVE DATES
Allamakee / 03	Harpers Ferry, Postville, Waterville	1-1-95
	Waukon	1-1-96
	Lansing, New Albin	7-1-96
	Unincorporated Area	10-1-97
Black Hawk / 07	Cedar Falls, Elk Run Heights, Evansdale,	4-1-91
	Hudson, Raymond, Waterloo	
	Dunkerton, Gilbertville, Janesville,	10-1-91
	La Porte City, Unincorporated Area	
Boone / 08	Berkley, Luther, Pilot Mound	4-1-89
	Boone	7-1-90
	Boxholm, Ogden, Sheldahl, Unincorporated Area	1-1-91
	Madrid	7-1-91
	Fraser	1-1-92
	Beaver	1-1-95
Buchanan / 10	Aurora, Lamont, Stanley	10-1-95
Buena Vista / 11	Albert City, Linn Grove, Marathon, Newell,	7-1-91
	Sioux Rapids, Truesdale	
	Alta, Lakeside, Rembrandt, Storm Lake,	10-1-95
	Unincorporated Area	
Butler / 12	Allison, Aplington, Aredale, Bristow, Dumont,	1-1-97
	Greene, New Hartford, Parkersburg	
Cass / 15	Anita, Cumberland, Griswold, Lewis, Marne,	1-1-97
	Massena, Wiota	
	Atlantic, Unincorporated Area	10-1-97
Cerro Gordo / 17	Clear Lake, Dougherty, Mason City, Meservey,	7-1-92
	Plymouth, Rock Falls, Rockwell, Swaledale,	
	Thornton, Ventura	
	Unincorporated Area	1-1-93
Cherokee / 18	Aurelia, Cleghorn, Larrabee, Marcus, Meriden, Washta	7-1-96
	Quimby	1-1-98
Chickasaw / 19	Alta Vista, Bassett, Fredericksburg, Ionia, Lawler,	4-1-97
	Nashua, New Hampton, North Washington,	
	Unincorporated Area	
Clayton / 22	McGregor	1-1-90
	Elkader, Garnavillo, Luana,	4-1-94
	Millville, Marquette, Saint Olaf	
	Elkport, Farmersburg, Garber, Guttenberg,	10-1-94
	Littleport, Monona, Volga	
	Edgewood, North Buena Vista,	10-1-95
	Strawberry Point, Unincorporated Area	
Clinton / 23	Andover, Calamus, Camanche, Clinton, Delmar,	10-1-89
	De Witt, Goose Lake, Grand Mound, Low Moor,	
	Toronto, Welton, Wheatland	
	Charlotte, Lost Nation, Unincorporated Area	1-1-90
Decatur / 27	Davis City, Decatur, Garden Grove, Grand River,	1-1-97
	Lamoni, Leroy, Pleasanton, Van Wert	
Delaware / 28	Colesburg, Delaware, Delhi, Earlville,	10-1-94
	Greeley, Manchester, Masonville	
	Dundee, Dyersville, Hopkinton,	4-1-95
	Ryan, Unincorporated Area	
	Edgewood	4-1-96
Des Moines / 29	Burlington, Danville, Middletown, West Burlington	10-1-94
	Mediapolis, Unincorporated Area	4-1-95
Dickinson / 30	Lake Park, Okoboji, Orleans, Spirit Lake,	4-1-97
	Superior, Terril	
	Arnolds Park, Milford, Wahpeton, West Okoboji,	1-1-98
	Unincorporated Area	
Dubuque / 31	Asbury, Balltown, Centralia, Dubuque,	4-1-88
	Holy Cross, Sageville, Zwingle	
	Bankston, Bernard, Epworth, Farley, Graf,	7-1-88
	Peosta, Sherrill, Unincorporated Area	
	Cascade, Dyersville, Luxemburg,	10-1-89
	New Vienna, Rickardsville, Worthington	
Emmet / 32	Armstrong, Dolliver, Ringsted	1-1-98
Fayette / 33	Arlington, Clermont, Elgin, Hawkeye,	1-1-95
	Maynard, Oelwein, Randalia, St. Lucas,	
	Wadena, Waucoma, Westgate	
	Fayette, West Union, Unincorporated Area	7-1-95
Floyd / 34	Floyd, Marble Rock, Nora Springs, Rockford, Rudd	10-1-96
	Charles City, Colwell	10-1-97
Franklin / 35	Coulter, Dows, Geneva, Hansell, Latimer, Sheffield	10-1-95
	Hampton, Popejoy, Unincorporated Area	10-1-96
Fremont / 36	Farragut, Hamburg, Imogene, Randolph,	1-1-96
	Riverton, Shenandoah, Sidney, Tabor,	
	Thurman, Unincorporated Area	
Hancock / 41	Corwith, Crystal Lake, Garner, Goodell, Kanawha,	1-1-96
	Klemme, Woden	
	Britt	1-1-97

COUNTY / CODE	JURISDICTIONS	EFFECTIVE DATES
Hardin / 42	Alden, Buckeye, Eldora, Hubbard, Iowa Falls,	4-1-96
	Radcliffe, Steamboat Rock, Unincorporated Area	
	Ackley, New Providence, Owasa, Union, Whitten	1-1-97
Harrison / 43	Dunlap, Little Sioux, Mondamin, Persia, Pisgah	10-1-97
Henry / 44	Coppock, Hillsboro, Mount Pleasant, Mount Union,	10-1-95
	New London, Olds, Rome, Salem, Westwood, Winfield	
	Wayland, Unincorporated Area	1-1-96
Howard / 45	Chester, Cresco, Lime Springs, Protivin	1-1-94
	Elma, Unincorporated Area	7-1-94
	Riceville	1-1-95
Ida / 47	Galva	4-1-97
Iowa / 48	Ladora, North English, Parnell, Williamsburg	4-1-94
	Marengo, Millersburg, Victor, Unincorporated Area	4-1-95
Jackson / 49	Baldwin, La Motte, Miles, Preston, Sabula,	10-1-89
	Saint Donatus, Spragueville, Springbrook	
	Bellevue, Zwingle	4-1-91
	Maquoketa, Monmouth	10-1-94
	Andrew, Unincorporated Area	1-1-95
Jones / 53	Cascade, Center Junction, Morley, Olin, Onslow,	4-1-95
	Oxford Junction	
	Monticello, Wyoming	1-1-96
Lee / 56	Fort Madison, Franklin, Keokuk, Montrose	10-1-91
	St. Paul	1-1-93
	Donnellson, Houghton, West Point, Unincorporated Area	1-1-95
Linn / 57	Bertram	1-1-86
Lyon / 60	Alvord, Doon, George, Inwood, Lester, Little Rock,	10-1-96
	Rock Rapids, Unincorporated Area	
Mahaska / 62	Barnes City, Beacon, Fremont, Keomah Village,	4-1-95
	Leighton, New Sharon, Oskaloosa, Rose Hill,	
	University Park, Unincorporated Area	
	Eddyville	10-1-95
Marshall / 64	Liscomb	1-1-97
Mills / 65	Emerson, Henderson, Malvern, Tabor	1-1-96
Mitchell / 66	Carpenter, Mitchell, Orchard, Osage,	1-1-95
	Riceville, St. Ansgar, Stacyville	
	McIntire, Unincorporated Area	7-1-95
Monona / 67	Blencoe, Castana, Mapleton, Moorhead, Onawa,	7-1-90
	Rodney, Soldier, Turin, Ute, Whiting, Unincorporated Area	
Montgomery / 69	Coburg, Elliott, Stanton, Villisca	1-1-96
	Grant	4-1-96
Muscatine / 70	Atalissa, Conesville, Fruitland, Muscatine, Stockton, Wilton	7-1-94
	Nichols, Unincorporated Area	1-1-95
	Durant, West Liberty	7-1-95
O'Brien / 71	Archer, Calumet, Paulina, Primghar, Sanborn,	1-1-96
	Sheldon, Sutherland, Unincorporated Area	
Page / 73	Blanchard, Braddyville, Coin, College Springs,	1-1-96
	Essex, Shambaugh, Shenandoah, Yorktown	
	Clarinda, Hepburn, Northboro, Unincorporated Area	7-1-96
Polk / 77	Polk City	1-1-86
	Sheldahl	7-1-87
Pottawattamie / 78	Macedonia, Minden	1-1-89
	Council Bluffs	4-1-90
	Avoca, Carson, Carter Lake, Crescent, Hancock,	1-1-95
	McClelland, Neola, Oakland, Treynor, Underwood, Walnut	
	Unincorporated Area	4-1-95
Scott / 82	Bettendorf, Blue Grass, Buffalo, Davenport,	1-1-89
	Dixon, Donahue, Eldridge, LeClaire, Long Grove,	
	Maysville, McCausland, New Liberty, Panorama Park,	
	Princeton, Walcott, Riverdale, Unincorporated Area	
	Durant	4-1-97
Shelby / 83	Defiance, Earling, Elk Horn, Irwin, Panama, Portsmouth,	1-1-98
	Shelby, Tennant, Westphalia	
Sioux / 84	Alton, Boyden, Chatsworth, Granville, Hawarden,	10-1-95
	Hull, Ireton, Matlock, Maurice, Orange City,	
	Sioux Center, Unincorporated Area	
	Hospers, Rock Valley, Sheldon	7-1-96
Story / 85	Ames, Huxley	1-1-87
	Cambridge, Collins, Colo, Gilbert, Kelley,	7-1-87
	McCallsburg, Roland, Sheldahl, Slater, Unincorporated Area	
	Nevada, Maxwell, Zearing	1-1-89
	Story City	10-1-90
Winnebago / 96	Decorah	4-1-91
	Calmar, Castalia, Fort Atkinson, Jackson Junction,	7-1-91
	Ossian, Ridgeway, Spillville, Unincorporated Area	
Woodbury / 97	Bronson, Cushing, Moville, Oto, Salix,	1-1-87
	Sergeant Bluff, Sioux City, Sloan	
	Anthon, Correctionville, Danbury, Hornick, Lawton,	10-1-88
	Pierson, Smithland, Unincorporated Area	
Worth / 98	Fertile, Grafton, Hanlontown, Joice, Kensett,	1-1-97
	Manly, Northwood	
	Unincorporated Area	7-1-97