

AmeriCorps Segal Education Award Payments- Tax Free in Iowa!

According to [Iowa Code 701—40.74\(422\)](#), AmeriCorps Segal Education award payments are not taxed as individual state income in Iowa. This can make a big difference in the amount of taxes owed, so be sure to highlight this when working with your tax preparer. To document AmeriCorps Segal Education Award payment as an adjustment, or tax deduction, on your individual Iowa State Income Tax form, please see the directions below. Remember, however, that any Segal Education Award payment *is* still taxable as *federal* income in the year it is redeemed. Many AmeriCorps members qualify for free tax preparation assistance from trained volunteers at Volunteer Income Tax Assistance (VITA); your local community action agency or United Way can often help you identify the nearest VITA site.

Tax year 2010 was the first time that AmeriCorps members and alums could take advantage of the exclusion of education award payments from their Iowa income taxes. These instructions reference 2018 tax forms, specifically the [IA 1040 Iowa Individual Income Tax Form](#) (see excerpt below). We expect the process to be similar in future years.

1. Step 5, Gross Income: Your Segal AmeriCorps Education Award payment was included in your federal taxable income, so it will be included in your Iowa taxable income in Step 5.
2. Step 6, Adjustments to Income: You must enter the amount of your Segal AmeriCorps Education Award payments (including interest) on [LINE 24 “Other Adjustments.”](#) This will result in these payments being deducted from your taxable income.
3. Complete the remainder of the tax form as instructed.

Step 6 Adjustments to Income	Description	16	17	18	19	20	21	22	23	24	25	26
	16. Payments to an IRA, Keogh, or SEP	16.	.00									.00
	17. Deductible part of self-employment tax	17.	.00									.00
	18. Health insurance deduction	18.	.00									.00
	19. Penalty on early withdrawal of savings	19.	.00									.00
	20. Alimony paid.....	20.	.00									.00
	21. Pension/retirement income exclusion	21.	.00	▲								.00
	22. Moving expense deduction from federal form 3903	22.	.00									.00
	23. Iowa capital gain deduction, certain sales only. Include IA 100	23.	.00	▲								.00
	24. Other adjustments.....	24.	.00									.00
	25. Total adjustments. Add lines 16-24	25.										
	26. Net Income. Subtract line 25 from line 15	26.										

For more information about Individual Income Taxes in Iowa, visit the website of the [Iowa Department of Revenue](#).

This form last updated December 2019. Please note that Volunteer Iowa is not an official tax preparer nor is the information contained here considered to be official tax advice.