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February 9, 2026

VIA EMAIL

Sen. Mike Bousset, Chairperson
Sen. Adrian Dickey
Sen. Izaah Cox
Iowa Senate Commerce Committee

Re: Testimony in Support of Senate Study Bill 3105

Dear Chairperson Bousset, Sen. Bisignano, and Sen. Warme:

On behalf of the Council On State Taxation (COST), I submit these written comments in strong support of Senate Study Bill 3105 (SSB 3105). SSB 3105 makes a straightforward but essential correction to Iowa's corporate income tax law. The bill amends Iowa Code § 422.35(12) to ensure that Iowa continues to provide a corporate income tax subtraction for income included under Internal Revenue Code § 951A. Under prior federal law, § 951A included global intangible low-taxed income (GILTI). Recent federal legislation, however, replaced GILTI with net controlled foreign corporation tested income (NCTI), but kept it within the same federal code section.

About COST

COST is a non-profit trade association based in Washington, DC. COST was formed in 1969 as an advisory committee to the Council of State Chambers of Commerce and today has an independent membership of approximately 500 major corporations engaged in interstate and international business, many of which are incorporated and do business in Iowa. COST's objective is to preserve and promote the equitable and non-discriminatory state and local taxation of multijurisdictional business entities.

Conclusion

SSB 3105 is a technical but vital correction. It preserves Iowa's intended tax treatment to exclude § 951A income. This prevents unintended tax increases, promotes fairness, and provides certainty to multistate corporations investing and employing in Iowa. On behalf of COST and its membership, I respectfully urge the Committee to advance SSB 3105.

Respectfully,

Mark B Holmes

Mark B. Holmes

cc: COST Board of Directors
Patrick J. Reynolds, COST President & Executive Director