

## CHAPTER 242

## INCOME TAX

## S. F. 234

AN ACT relating to individual income tax.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section four hundred twenty-two point five (422.5),  
2 unnumbered paragraph two (2), Code 1973, is amended to read as  
3 follows:

4 However, no tax shall be imposed on any resident or nonresident  
5 whose net income, as defined in section 422.7, is ~~three~~ *four* thousand  
6 dollars or less; but in the event that the payment of tax under this  
7 division would reduce the net income to less than ~~three~~ *four* thousand  
8 dollars, then the tax shall be reduced to that amount which would  
9 result in allowing the taxpayer to retain a net income of ~~three~~ *four*  
10 thousand dollars. The preceding sentence does not apply to estates  
11 or trusts. For the purpose of this paragraph, the entire net income,  
12 including any part thereof not allocated to Iowa, shall be taken into  
13 account. If the combined net income of a husband and wife exceeds  
14 ~~three~~ *four* thousand dollars, neither of them shall receive the benefit  
15 of this paragraph, and it is immaterial whether they file a joint return  
16 or separate returns. An unmarried child under twenty-one years of  
17 age who is a dependent of his parent or parents as defined in section  
18 422.12, shall not receive the benefit of this paragraph if such parent's  
19 net income exceeds ~~three~~ *four* thousand dollars or if the combined net  
20 income of such parents exceeds ~~three~~ *four* thousand dollars.

1 SEC. 2. Section four hundred twenty-two point thirteen (422.13),  
2 subsections one (1) and two (2), Code 1973, are amended to read as  
3 follows:

4 1. Every resident of Iowa who is required to file a federal income  
5 tax return under the Internal Revenue Code of 1954, or who has a net  
6 income of ~~one~~ *two* thousand dollars or more for the tax year from  
7 sources taxable under this division, shall make and sign a return.

8 2. Every nonresident who is required to file a federal income tax  
9 return under the Internal Revenue Code of 1954 and who has a net  
10 income of ~~one~~ *two* thousand dollars or more for the tax year from  
11 sources taxable under this division, shall make and sign a return.

1 SEC. 3. The provisions of this Act shall be effective for tax periods  
2 beginning on or after January 1, 1973.

Approved June 19, 1973.