

6 Now, therefore, it is provided that the acts of said city and town  
 7 councils of such cities and towns in enacting said ordinances changing  
 8 the names of said certain streets are hereby declared valid. ~~On the~~  
 9 ~~filing for record of the said ordinances, duly certified by the mayor and~~  
 10 ~~city or town clerk, with the county recorder he shall make and record~~  
 11 ~~in the records of his office a plat showing the changes in the names of~~  
 12 ~~the streets and shall file a copy of said plat with the county auditor.~~  
 13 *The proper method for recording a change of street name is found*  
 14 *in section four hundred nine point seventeen (409.17) of the Code.*

Approved May 9, 1974

## CHAPTER 1218

### PLANNING AND ZONING

H. F. 658

AN ACT relating to the membership of municipal planning and zoning commissions and boards of adjustment.

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

1 SECTION 1. Section four hundred fourteen point twenty-three  
 2 (414.23), unnumbered paragraph two (2), Code 1973, is amended to  
 3 read as follows:  
 4 A municipality, during the time its zoning jurisdiction is extended  
 5 under this section, shall increase the size of its planning and zoning  
 6 commission and its board of adjustment each by two members. ~~Said~~  
 7 ~~The~~ additional members shall be residents of the area outside the city  
 8 or town limits over which the zoning jurisdiction is extended. They  
 9 shall be ~~chosen in the same manner~~ *appointed by the board of super-*  
 10 *visors of the county in which such extended area is located* and for the  
 11 same terms of office and have the same rights, privileges, and duties  
 12 as other members of each of said bodies.

Approved May 2, 1974

## CHAPTER 1219

### FINANCING PROJECTS BY MUNICIPALITIES

H. F. 719

AN ACT relating to the financing of industrial and agricultural projects including pollution control facilities by cities, towns and counties.

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

1 SECTION 1. Section four hundred nineteen point one (419.1), sub-  
 2 sections one (1), two (2) and six (6), Code 1973, are amended to read  
 3 as follows:

4 1. "Municipality" means any *county, or any* incorporated city or  
5 town in this state.

6 2. "Project" means *all or any part of, or any interest in,* (a) any  
7 land, buildings or improvements, whether or not in existence at the  
8 time of issuance of the bonds issued under authority of this chapter,  
9 which shall be suitable for the use of any *voluntary nonprofit hospital,*  
10 *clinic, or health care facility as defined in section one hundred thirty-*  
11 *five C point one (135C.1), subsection eight (8), of the Code, or of any*  
12 *private college or university, whether for the establishment or mainte-*  
13 *nance of such college or university, or of any industry or industries for*  
14 *the manufacturing, processing or assembling of any agricultural or*  
15 *manufactured products, even though such processed products may re-*  
16 *quire further treatment before delivery to the ultimate consumer, or of*  
17 *any commercial enterprise engaged in storing, warehousing, distribut-*  
18 *ing or selling products of agriculture, mining or industry including but*  
19 *not limited to barge facilities and river front improvements useful and*  
20 *convenient for the handling and storage of goods and products or (b)*  
21 *pollution control facilities which shall be suitable for use by any indus-*  
22 *try, commercial enterprise or utility. "Pollution control facilities"*  
23 *means any land, buildings, structures, equipment, pipes, pumps, dams,*  
24 *reservoirs, improvements, or other facilities useful for the purpose of*  
25 *reducing, preventing, or eliminating pollution of the water or air by*  
26 *reason of the operations of any industry, commercial enterprise or*  
27 *utility. "Improve", "improving" and "improvements" shall embrace*  
28 *any real property, personal property or mixed property of any and*  
29 *every kind that can be used or that will be useful in a private college*  
30 *or university enterprise or an industrial enterprise or as pollution con-*  
31 *trol facilities for any industry, commercial enterprise or utility con-*  
32 *nection with a project, including, without limiting the generality of the*  
33 *foregoing, rights of way, roads, streets, sidings, trackage, foundations,*  
34 *tanks, structures, pipes, pipe lines, reservoirs, utilities, materials,*  
35 *equipment, fixtures, machinery, furniture, furnishings, improvements,*  
36 *instrumentalities and other real, personal or mixed property of every*  
37 *kind, whether above or below ground level.*

38 6. "Lessee" includes a single person, firm or corporation or any two  
39 or more persons, firms or corporations which shall lease the project as  
40 tenants-in-common of the entire project or otherwise, and each of  
41 which such tenants in common shall severally undertake rental payment  
42 payments and other monetary obligations under the lease of the project  
43 sufficient, together with the like undertakings of the other such tenant-  
44 in-common, in the aggregate to satisfy the rental and other monetary  
45 obligations required by this chapter to be undertaken by the lessee of a  
46 project.

1 SEC. 2. Section four hundred nineteen point one (419.1), Code  
2 1973, is amended by adding the following new subsections:

3 NEW SUBSECTION. "Lease" includes a lease containing an option to  
4 purchase the project for a nominal sum upon payment in full, or pro-  
5 vision therefor, of all bonds issued in connection with the project and  
6 all interest thereon and all other expenses incurred in connection with  
7 the project, and a lease containing an option to purchase the project  
8 at any time, as provided therein, upon payment of the purchase price  
9 which shall be sufficient to pay all bonds issued in connection with the  
10 project and all interest thereon and all other expenses incurred in con-

11 nection with the project, but which payment may be made in the  
12 form of one or more notes, debentures, bonds or other secured or un-  
13 secured debt obligations of the lessee providing for timely payments,  
14 including without limitation, interest thereon sufficient for such pur-  
15 poses and delivered to the municipality or to the trustee under the  
16 indenture pursuant to which the bonds were issued. A single lease  
17 may contain both of the foregoing options.

18 NEW SUBSECTION. "Sale contract" means a contract providing for  
19 the sale of one or more projects to one or more contracting parties  
20 and includes a contract providing for payment of the purchase price  
21 in one or more installments. If the sale contract permits title to the  
22 project to pass to the other contracting party or parties prior to pay-  
23 ment in full of the entire purchase price, it shall also provide for the  
24 other contracting party or parties to deliver to the municipality or  
25 to the trustee under the indenture pursuant to which the bonds were  
26 issued one or more notes, debentures, bonds or other secured or unse-  
27 cured debt obligations of such contracting party or parties providing  
28 for timely payments, including without limitation, interest thereon for  
29 the balance of the purchase price at or prior to the passage of such  
30 title.

31 NEW SUBSECTION. "Loan agreement" means an agreement provid-  
32 ing for a municipality to loan the proceeds derived from the issuance  
33 of bonds pursuant to this chapter to one or more contracting parties  
34 to be used to pay the cost of one or more projects and providing for  
35 the repayment of such loan by the other contracting party or parties,  
36 and which may provide for such loans to be secured or evidenced by  
37 one or more notes, debentures, bonds or other secured or unsecured  
38 debt obligations of the contracting party or parties, delivered to the  
39 municipality or to the trustee under the indenture pursuant to which  
40 the bonds were issued.

41 NEW SUBSECTION. "Contracting party" or "other contracting  
42 party" means any party to a sale contract or loan agreement except  
43 the municipality.

44 NEW SUBSECTION. "Revenues" of a project, or derived from a proj-  
45 ect, include payments under a lease or sale contract and repayments  
46 under a loan agreement, or under notes, debentures, bonds and other  
47 secured or unsecured debt obligations of a lessee or contracting party  
48 delivered as herein provided.

49 NEW SUBSECTION. "Bonds" of a municipality includes bonds, notes  
50 or other securities.

51 NEW SUBSECTION. "Corporation" includes a corporation whether  
52 organized for profit or not for profit for which the secretary of state  
53 has issued a certificate of incorporation or a permit for the transaction  
54 of business within the state and further includes a cooperative asso-  
55 ciation.

1 SEC. 3. Section four hundred nineteen point two (419.2), Code  
2 1973, is amended to read as follows:

3 419.2 Powers. In addition to any other powers which it may now  
4 have, in the event that local capital is not available for the development  
5 of industrial projects, pollution control projects, or private college or  
6 university projects, each municipality shall have the following powers:

7 1. To acquire, whether by construction, purchase, gift or lease, and  
8 to improve and equip, one or more projects. Such projects shall be

9 located within this state, may be located within or near the municipal-  
10 ity, but shall not be located more than eight miles outside the corporate  
11 limits of the municipality, provided that ancillary improvements neces-  
12 sary or useful in connection with the main project may be located more  
13 than eight miles outside the corporate limits of the municipality.

14 2. To lease to others ~~any or all of its~~ *one or more* projects for such  
15 rentals and upon such terms and conditions as the governing body may  
16 deem advisable *in accordance with the provisions of this chapter*, but  
17 in no case shall the rentals be less than the average rental cost for like  
18 or similar facilities within the competitive commercial area.

19 3. *To sell to others one or more projects for such payments and upon*  
20 *such terms and conditions as the governing body may deem advisable*  
21 *in accordance with the provisions of this chapter.*

22 4. *To enter into loan agreements with others with respect to one or*  
23 *more projects for such payments and upon such terms and conditions*  
24 *as the governing body may deem advisable in accordance with the pro-*  
25 *visions of this chapter.*

26 § 5. To issue revenue bonds for the purpose of defraying the cost of  
27 ~~acquiring, improving and equipping~~ any project and to secure payment  
28 of such bonds as provided in this chapter.

29 4 6. To grant easements for roads, streets, water mains and pipes,  
30 sewers, power lines, telephone lines, all pipe lines, and to all utilities.

31 No municipality shall have the power to operate any project,  
32 ~~referred to in this chapter, as a business or in any manner except as~~  
33 ~~the lesser thereof, financed under this chapter, as a business or in any~~  
34 ~~manner except as specifically provided in this chapter.~~

1 SEC. 4. Section four hundred nineteen point three (419.3), sub-  
2 sections one (1) and four (4), Code 1973, are amended to read as fol-  
3 lows:

4 1. All bonds issued by a municipality, under the authority of this  
5 chapter, shall be limited obligations of the municipality. The princi-  
6 pal of and *interest* on such bonds shall be payable solely out of the  
7 revenues derived from ~~the leasing of~~ the project to be financed by the  
8 bonds so issued under the provisions of this chapter *including debt*  
9 *obligations of the lessee or contracting party obtained from or in con-*  
10 *nection with the financing of a project.* Bonds and interest coupons  
11 issued under authority of this chapter shall never constitute an in-  
12 debtedness of the municipality, within the meaning of any state con-  
13 stitutional provision or statutory limitation, and shall not constitute  
14 nor give rise to a pecuniary liability of the municipality or a charge  
15 against its general credit or taxing powers. Such limitation shall be  
16 plainly stated on the face of each such bond.

17 4. Any bonds, issued under the authority of this chapter, may be  
18 sold at public sale in such manner, *at such price* and at such time or  
19 times as may be determined by the governing body to be most advan-  
20 tageous. The municipality may pay all expenses, premiums and com-  
21 missions which the governing body may deem necessary or advan-  
22 tageous in connection with the authorization, sale and issuance thereof.

1 SEC. 5. Section four hundred nineteen point four (419.4), subsec-  
2 tions one (1), two (2), and three (3), Code 1973, are amended to read  
3 as follows:

4 1. The principal of and interest on any bonds, issued under author-  
5 ity of this chapter, shall be secured by a pledge of the revenues out

6 of which such bonds shall be made payable. They may be secured by  
7 a mortgage covering all or any part of the project from which the  
8 revenues so pledged may be derived or by a pledge of the lease ~~of~~, *sale*  
9 *contract or loan agreement with respect to such project or by a pledge*  
10 *of one or more notes, debentures, bonds or other secured or unsecured*  
11 *debt obligations of the lessee or contracting party.*

12 2. The proceedings under which the bonds are authorized to be  
13 issued under the provisions of this chapter, and any mortgage given  
14 to secure the same, may contain any agreements and provisions cus-  
15 tomarily contained in instruments securing bonds, including, but not  
16 limited to:

17 a. Provisions respecting custody of the proceeds from the sale of the  
18 bonds including their investment and reinvestment until used to defray  
19 the cost of the project.

20 b. Provisions respecting the fixing and collection of rents ~~for~~ *or*  
21 *payments with respect to any project covered by such proceedings or*  
22 *mortgage.*

23 c. The terms to be incorporated in the lease ~~of~~, *sale contract or loan*  
24 *agreement with respect to such project.*

25 d. The maintenance and insurance of such project.

26 e. The creation, maintenance, custody, investment and reinvestment  
27 and use of special funds from the revenues of such project, and

28 f. The rights and remedies available in case of a default to the bond  
29 holders or to any trustee under the lease, *sale contract, loan agreement*  
30 *or a mortgage.*

31 A municipality shall have the power to provide that proceeds from  
32 the sale of bonds and special funds from the revenues of the project  
33 shall be invested and reinvested in such securities and other invest-  
34 ments as shall be provided in the proceedings under which the bonds  
35 are authorized to be issued including:

36 (1) obligations issued or guaranteed by the United States;

37 (2) obligations issued or guaranteed by any person controlled or  
38 supervised by and acting as an instrumentality of the United States  
39 pursuant to authority granted by the Congress of the United States;

40 (3) obligations issued or guaranteed by any state of the United  
41 States, or the District of Columbia, or any political subdivision of any  
42 such state or district;

43 (4) prime commercial paper;

44 (5) prime finance company paper;

45 (6) bankers' acceptances drawn on and accepted by banks organ-  
46 ized under the laws of any state or of the United States;

47 (7) repurchase agreements fully secured by obligations issued or  
48 guaranteed by the United States or by any person controlled or super-  
49 vised by and acting as an instrumentality of the United States pur-  
50 suant to authority granted by the Congress of the United States; and

51 (8) certificates of deposit issued by banks organized under the laws  
52 of any state or of the United States; whether or not such investment  
53 or reinvestment is authorized under any other law of this state. The  
54 municipality shall also have the power to provide that such proceeds  
55 or funds or investments and the ~~rents~~ *amounts* payable under the lease,  
56 *sale contract or loan agreement* shall be received, held and disbursed  
57 by one or more banks or trust companies located in or out of the state

58 of Iowa. A municipality shall also have the power to provide that the  
 59 project and improvements shall be constructed by the municipality,  
 60 lessee, ~~or~~ the lessee's designee, *the contracting party, or the contract-*  
 61 *ing party's designee*, or anyone or more of them on real estate owned  
 62 by the municipality, the lessee, ~~or~~ the lessee's designee, *the contracting*  
 63 *party, or the contracting party's designee*, as the case may be, that the  
 64 bond proceeds shall be disbursed by the trustee bank or banks, trust  
 65 company or trust companies, during construction upon the estimate,  
 66 order or certificate of the lessee, ~~or~~ the lessee's designee, ~~and that the~~  
 67 ~~project, if and to the extent constructed on real estate not owned by~~  
 68 ~~the municipality, shall be conveyed to the municipality not later than~~  
 69 ~~its completion~~ *the contracting party, or the contracting party's desig-*  
 70 *nee.*

71 In making such agreements or provisions, a municipality shall not  
 72 have the power to obligate itself, except with respect to the project and  
 73 the application of the revenues therefrom, and shall not have the  
 74 power to incur a pecuniary liability or a charge upon its general credit  
 75 or against its taxing powers.

76 3. The proceedings authorizing any bonds under the provisions of  
 77 this chapter, or any mortgage securing such bonds, may provide that  
 78 if there is a default in the payment of the principal of or the interest  
 79 on such bonds or in the performance of any agreement contained in  
 80 such proceedings or mortgage, the payment and performance may be  
 81 enforced by mandamus or by the appointment of a receiver in equity  
 82 with power to charge and collect rents *and payments* and to apply the  
 83 revenues from the project in accordance with such proceedings or the  
 84 provisions of such mortgage.

1 SEC. 6. Section four hundred nineteen point five (419.5), Code  
 2 1973, is amended to read as follows:

3 **419.5 Determination of rent and other payments.**

4 1. Prior to ~~the leasing of~~ *entering into a lease, sale contract or loan*  
 5 *agreement with respect to* any project, the governing body must deter-  
 6 mine the amount necessary in each year to pay the principal of and the  
 7 interest on the bonds proposed to be issued to finance such project;  
 8 the amount necessary to be paid each year into any reserve funds  
 9 which the governing body may deem advisable to establish in connec-  
 10 tion with the retirement of the proposed bonds and the maintenance  
 11 of the project; and unless the terms under which the project is to be  
 12 leased ~~provides of the lease, sale contract or loan agreement provide~~  
 13 ~~that the lessee or contracting party shall maintain the project and~~  
 14 ~~carry all proper insurance with respect thereto, the estimated cost of~~  
 15 ~~maintaining the project in good repair and keeping it properly insured.~~

16 2. The determination and findings of the governing body, required  
 17 to be made by subsection 1 of this section, shall be set forth in the  
 18 proceedings under which the proposed bonds are to be issued; pro-  
 19 vided, however, that the foregoing amounts need not be expressed in  
 20 dollars and cents in the lease ~~and, sale contract or loan agreement or~~  
 21 ~~in the proceedings under which the bonds are authorized to be issued,~~  
 22 ~~but may be set forth in the form of a formula or formulas. Prior to~~  
 23 ~~the issuance of the bonds authorized by this chapter the municipality~~  
 24 ~~shall lease enter into a lease, sale contract or loan agreement with~~  
 25 ~~respect to the project to a lessee under an agreement conditioned upon~~  
 26 ~~completion of which shall require the lessee or contracting party to~~

27 *complete* the project and ~~providing~~ *which shall provide* for payment to  
 28 the municipality of such rentals or *payments* as, upon the basis of such  
 29 determinations and findings, will be sufficient to pay the principal of  
 30 and interest on the bonds issued to finance the project; to build up and  
 31 maintain any reserves deemed advisable, by the governing body, in  
 32 connection therewith and unless the ~~agreement~~ *of lease, sale contract*  
 33 *or loan agreement* obligates the lessee or *contracting party* to pay for  
 34 the maintenance and insurance on the project, to pay the costs of main-  
 35 taining the project in good repair and keeping it properly insured.

1 SEC. 7. Section four hundred nineteen point seven (419.7), Code  
 2 1973, is amended to read as follows:

3 **419.7 Application of proceeds limited.** The proceeds from the sale  
 4 of any bonds, issued under authority of this chapter, shall be applied  
 5 only for the purpose for which the bonds were issued and if, for any  
 6 reason, any portion of such proceeds shall not be needed for the pur-  
 7 pose for which the bonds were issued, such unneeded portion of said  
 8 proceeds shall be applied to the payment of the principal or the inter-  
 9 est on said bonds. The cost of ~~acquiring~~ any project shall be deemed  
 10 to include the actual cost of acquiring a site or the cost of the construc-  
 11 tion of any part of a project which may be constructed including archi-  
 12 tects' and engineers' fees, the purchase price of any part of a project  
 13 that may be acquired by purchase, all expenses in connection with the  
 14 authorization, sale and issuance of the bonds to finance such acquisi-  
 15 tion, *an amount to be held as a bond reserve fund*, and the interest on  
 16 such bonds for a reasonable time prior to construction, during con-  
 17 struction and for not exceeding six months after completion of con-  
 18 struction.

1 SEC. 8. Section four hundred nineteen point eight (419.8), Code  
 2 1973, is amended to read as follows:

3 **419.8 No payment by municipality.** No municipality shall have the  
 4 power to pay out of its general fund or otherwise contribute any part  
 5 of the costs of ~~acquiring~~ a project and shall not have the power to use  
 6 land already owned by the municipality, or in which the municipality  
 7 has an equity, unless specifically acquired for development of a ~~private~~  
 8 ~~college or university or for industrial development or for pollution con-~~  
 9 ~~trol facilities~~ *projects*, or unless the land is determined by the munic-  
 10 ipal governing body to no longer be necessary for municipal purposes  
 11 *other than the project*, for the construction thereon of a project or any  
 12 part thereof. The entire cost of ~~acquiring~~ any project must be paid out  
 13 of the proceeds from the sale of bonds issued under the authority of  
 14 this chapter, but this provision shall not be construed to prevent a  
 15 municipality from accepting donations of property to be used as a part  
 16 of any project or money to be used for defraying any part of the cost  
 17 of any project.

1 SEC. 9. Section four hundred nineteen point eleven (419.11), Code  
 2 1973, is amended to read as follows:

3 **419.11 Tax equivalent to be paid—assessment procedure—appeal.**  
 4 Any municipality acquiring, purchasing, constructing, reconstructing,  
 5 improving or extending any industrial buildings or pollution control  
 6 facilities, as provided in this chapter, shall annually pay out of the  
 7 revenue from such industrial buildings or pollution control facilities to

8 the state of Iowa and to the city, town, school district and any other  
9 political subdivision, authorized to levy taxes, a sum equal to the  
10 amount of tax, determined by applying the millage rate of the taxing  
11 district to the assessed value of the property, which the state, county,  
12 city, town, school district or other political subdivision would receive  
13 if the property were owned by any private person or corporation, any  
14 other statute to the contrary notwithstanding. For purposes of arriv-  
15 ing at such tax equivalent, the property shall be valued and assessed  
16 by the assessor in whose jurisdiction the property is located, in accord-  
17 ance with chapter 441, but the municipality, the lessee on behalf of the  
18 municipality, and such other persons as are authorized by chapter 441  
19 shall be entitled to protest any assessment and take appeals in the  
20 same manner as any taxpayer. Such valuations shall be included in any  
21 summation of valuations in the taxing district for all purposes known  
22 to the law. Income from this source shall be considered under the pro-  
23 visions of section 24.3, subsection 1. If and to the extent the proceed-  
24 ings under which the bonds authorized to be issued under the provi-  
25 sions of this chapter so provide, the municipality may agree to co-  
26 operate with the lessee of a project in connection with any administra-  
27 tive or judicial proceedings for determining the validity or amount of  
28 any such payments and may agree to appoint or designate and reserve  
29 the right in and for such lessee to take all action which the municipal-  
30 ity may lawfully take in respect of such payments and all matters  
31 relating thereto, provided, however, that such lessee shall bear and pay  
32 all costs and expenses of the municipality thereby incurred at the  
33 request of such lessee or by reason of any such action taken by such  
34 lessee in behalf of the municipality. Any lessee of a project which has  
35 paid, as rentals additional to those required to be paid pursuant to  
36 section 419.5, the amounts required by the first sentence of this section  
37 to be paid by the municipality shall not be required to pay any such  
38 taxes to the state or to any such county, city, town, school district or  
39 other political subdivision, any other statute to the contrary notwith-  
40 standing. *To the extent that any lessee or contracting party pays taxes*  
41 *on a project or part thereof, the municipality shall not be required to*  
42 *pay the tax equivalent herein provided, and to such extent the lessee or*  
43 *contracting party shall not be required to pay amounts to the municip-*  
44 *ality for such purpose.* This section shall not be applicable to any  
45 municipality acquiring, purchasing, constructing, reconstructing, im-  
46 proving, or extending any buildings for the purpose of establishing,  
47 maintaining, or assisting any private college or university, *nor to any*  
48 *municipality in connection with any project for the benefit of a volun-*  
49 *tary nonprofit hospital, clinic, or health care facility, the property of*  
50 *which is otherwise exempt under the provisions of chapter four hun-*  
51 *dred twenty-seven (427) of the Code.* The payment, collection, and  
52 apportionment of the tax equivalent shall be subject to the provisions  
53 of chapters 445, 446 and 447.

1 SEC. 10. Chapter four hundred nineteen (419), Code 1973, is  
2 amended by adding the following new section:

3 NEW SECTION. In order to provide available alternatives to enable  
4 municipalities to accomplish the purposes of this chapter in the man-  
5 ner deemed most advisable by the governing body, it is the intent of  
6 this chapter that a lessee or contracting party under a sale contract or  
7 loan agreement is not required to be the eventual user of a project;



8 provided, that any sublessee or assignee shall assume all of the obli-  
 9 gations of the lessee or contracting party under the lease, sale con-  
 10 tract or loan agreement, the lessee or contracting party remains pri-  
 11 marily liable for all of its obligations under the lease, sale contract  
 12 or loan agreement, and the use of the project is consistent with the  
 13 purposes of this chapter.

Approved June 3, 1974

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## CHAPTER 1220

### INCOME TAX REFERENCES

S. F. 1196

AN ACT relating to references to the Internal Revenue Code in the computation of individual and corporate income tax and the franchise tax.

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

1 SECTION 1. Section four hundred twenty-two point four (422.4),  
 2 subsection seventeen (17), Code 1973, is amended to read as follows:  
 3 17. "Internal Revenue Code of 1954" means the Internal Revenue  
 4 Code of 1954, as amended to and including January 1, ~~1972~~ 1974.

1 SEC. 2. Section four hundred twenty-two point thirty-two (422.32),  
 2 subsection four (4), Code 1973, is amended to read as follows:  
 3 4. "Internal Revenue Code of 1954" means the Internal Revenue  
 4 Code of 1954, as amended to and including January 1, ~~1972~~ 1974.

1 SEC. 3. Section four hundred twenty-two point sixty-one (422.61),  
 2 subsection four (4), Code 1973, is amended to read as follows:  
 3 4. "Net income" means the net income of the financial institution  
 4 computed in accordance with section 422.35, with the exception that  
 5 interest and dividends from federal securities shall not be subtracted  
 6 and interest and dividends from evidences of indebtedness and securi-  
 7 ties of this state and its political subdivisions, exempt from federal  
 8 income tax under the Internal Revenue Code of 1954 as amended to  
 9 and including January 1, ~~1972~~ 1974, shall not be added.

Approved May 2, 1974

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## CHAPTER 1221

### INCOME AND SALES TAXES

S. F. 1055

AN ACT increasing the deductions and exemptions for certain state taxes.

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

1 SECTION 1. Section four hundred twenty-two point nine (422.9),  
 2 subsection one (1), Code 1973, is amended to read as follows:  
 3 1. An optional standard deduction of ~~five~~ ten percent of the net  
 4 income after deduction of federal income tax, not to exceed ~~two~~ five  
 5 hundred ~~fifty~~ dollars.