

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

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

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.

1 SEC. 2. Section four hundred twenty-two point forty-five (422.45),
 2 Code 1973, as amended by Acts of the Sixty-fifth General Assembly,
 3 1973 Session, chapter one hundred fifty-three (153), section fourteen
 4 (14), and chapter two hundred forty-seven (247), section one (1), is
 5 amended by adding the following new subsections:

6 NEW SUBSECTION. Gross receipts from the sale of all foods for
 7 human consumption which are eligible for purchase with food coupons
 8 issued by the United States department of agriculture pursuant to
 9 regulations in effect on July 1, 1974, regardless of whether the retailer
 10 from which the foods are purchased is participating in the food stamp
 11 program. However, as used in this subsection, "foods" does not
 12 include meals prepared for immediate consumption on or off the prem-
 13 ises of the retailer, and does not include foods sold through vending
 14 machines.

15 NEW SUBSECTION. The gross receipts from the sale of prescription
 16 drugs, as defined in subsection ten (10) of section one hundred fifty-
 17 five point three (155.3) of the Code, if dispensed for human use or
 18 consumption by a registered pharmacist licensed under chapter one
 19 hundred fifty-five (155) of the Code, a physician and surgeon licensed
 20 under chapter one hundred forty-eight (148) of the Code, an osteopath
 21 licensed under chapter one hundred fifty (150) of the Code, an osteo-
 22 pathic physician and surgeon licensed under chapter one hundred fifty
 23 A (150A) of the Code, a dentist licensed under chapter one hundred
 24 fifty-three (153) of the Code, or a podiatrist licensed under chapter
 25 one hundred forty-nine (149) of the Code.

26 NEW SUBSECTION. Gross receipts from the sale of insulin, hypo-
 27 dermic syringes, and diabetic testing materials for human use or con-
 28 sumption.

29 NEW SUBSECTION. Gross receipts from the sale of prosthetic, or-
 30 thotic or orthopedic devices for human use. For purposes of this sub-
 31 section, "orthopedic devices" means those devices prescribed to be
 32 used for orthopedic purposes by a physician and surgeon licensed
 33 under chapter one hundred forty-eight (148) of the Code, an osteopath
 34 licensed under chapter one hundred fifty (150) of the Code, an osteo-
 35 pathic physician and surgeon licensed under chapter one hundred fifty
 36 A (150A) of the Code, a dentist licensed under chapter one hundred
 37 fifty-three (153) of the Code, or a podiatrist licensed under chapter one
 38 hundred forty-nine (149) of the Code.

1 SEC. 3. Section four hundred fifty point three (450.3), subsection
 2 five (5), Code 1973, is amended to read as follows:

3 5. Property which is held ~~jointly or as tenants in the entirety in~~
 4 *joint tenancy* by the decedent and any other person or persons or any
 5 deposit in banks, or other institution in their joint names and payable
 6 to either or to the survivor, except such part as may be proven to have
 7 belonged to the survivor; or any interest of a decedent in property
 8 owned by a joint stock or other corporate body whereby the survivor or
 9 survivors become beneficially entitled to the decedent's interest upon
 10 the death of a shareholder. *However, if such property is so held by the*
 11 *decedent and the surviving spouse as the only coowners, one half of*
 12 *such property is not subject to taxation under the provisions of this*
 13 *chapter, but if the surviving spouse proves that he or she contributed*
 14 *to acquisition of such property an amount, in money or other property,*
 15 *greater than one half of the cost of the property held in joint tenancy,*

16 *the portion of such property which is not subject to taxation under the*
 17 *provisions of this chapter shall be the proportion which the actual*
 18 *contribution by the surviving spouse is of the total contribution to*
 19 *acquisition of such property. The tax imposed upon the passing of*
 20 *property under the provisions of this subsection shall apply to prop-*
 21 *erty held under all such contracts or agreements whether made before*
 22 *or after the taking effect of this chapter.*

1 SEC. 4. Section four hundred fifty point nine (450.9), Code 1973,
 2 is amended to read as follows:

3 **450.9 Individual exemptions.** In computing the tax on the net
 4 estate passing to the surviving spouse, heirs or beneficiaries of the
 5 deceased the following credits or exemptions shall be allowed:

6 1. ~~Wife~~ *Surviving spouse*, ~~forty eight~~ thousand dollars.

7 ~~2. Husband~~, ~~forty thousand~~ dollars.

8 ~~3~~ 2. Each son and daughter, including legally adopted sons and
 9 daughters, or illegitimate sons and daughters entitled to inherit under
 10 the law of this state, fifteen thousand dollars.

11 4 3. Father or mother, ten thousand dollars.

12 ~~5~~ 4. Any other lineal descendant of the deceased, five thousand dol-
 13 lars.

1 SEC. 5. Section one (1) of this Act is applicable to tax years be-
 2 ginning on or after January 1, 1974, section two (2) of this Act is
 3 applicable to sales made on or after July 1, 1974, and sections three (3)
 4 and four (4) of this Act are applicable to the estate of a person whose
 5 death occurs on or after July 1, 1974.

Approved May 30, 1974

CHAPTER 1222

ABATEMENT OF TAXES

S. F. 1251

AN ACT relating to the abatement of assessment of taxes, interest and penalties.

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

1 SECTION 1. Section four hundred twenty-two point twenty-eight
 2 (422.28), Code 1973, is amended to read as follows:

3 **422.28 Revision of tax.** A taxpayer may appeal to the director for
 4 revision of the tax, interest, and/or penalties assessed against him at
 5 any time within ninety days from the date of the notice of the assess-
 6 ment of such tax, additional tax, interest, and/or penalties. The direc-
 7 tor shall grant a hearing ~~thereon~~ and if, upon ~~such~~ the hearing, the
 8 director ~~shall determine~~ *determines* that the tax, interest, and/or pen-
 9 alties are excessive or incorrect, the director shall revise ~~the same~~
 10 *them* according to the law and the facts and adjust the computation
 11 of the tax, interest, and/or penalties accordingly. The director shall
 12 notify the taxpayer by registered mail of the result of the hearing and
 13 shall refund to the taxpayer the amount, if any, paid in excess of