

Sec. 4. This Act is retroactive to January 1, 1980 for tax years beginning on or after January 1, 1980 and to this extent is retroactive.

Approved May 21, 1980

CHAPTER 1130  
INTERNAL REVENUE CODE UPDATE

H. F. 2470

AN ACT updating references to the internal revenue code for purposes of computing individual and corporate income taxes and franchise taxes and making the Act retroactive.

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

Section 1. Section four hundred twenty-two point four (422.4), subsection seventeen (17), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter ninety-two (92), section one (1), and as the section is amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter ninety-three (93), section one (1), is amended to read as follows:

17. "Internal Revenue Code of 1954" means the Internal Revenue Code of 1954, as amended to and including January 1, ~~1979~~ 1980.

Sec. 2. Section four hundred twenty-two point seven (422.7), subsection nine (9), Code 1979, is amended to read as follows:

9. Subtract the amount of the new work incentive programs credit allowable for the taxable year under section forty (40) or the jobs tax credit allowable for the tax year under section 44B of the Internal Revenue Code of 1954 to the extent that the credit increased federal adjusted gross income.

Sec. 3. Section four hundred twenty-two point seven (422.7), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. Married taxpayers, who file a joint federal income tax return and who elect to file separate returns or separate filing on a combined return for state income tax purposes, shall include in net income any unemployment compensation benefits received subject to the limitations for joint federal income tax return filers provided in section eighty-five (85) of the Internal Revenue Code of 1954.

Sec. 4. Section four hundred twenty-two point nine (422.9), subsection two (2), paragraph e, Code 1979, as the section is amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter ninety-three (93), section five (5), is amended by striking the paragraph.

Sec. 5. Section four hundred twenty-two point nine (422.9), subsection three (3), paragraph c, Code 1979, as the section is amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter ninety-three (93), section five (5), is amended to read as follows:

c. If the election under section 172(b)(3)~~(E)~~(C) of the Internal Revenue Code of 1954 is made, the Iowa net operating loss shall be carried forward seven taxable years.

Sec. 6. Section four hundred twenty-two point thirty-two (422.32), subsection four (4), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter ninety-two (92), section two (2), is amended to read as follows:

4. "Internal Revenue Code of 1954" means the Internal Revenue Code of 1954, as amended to and including January 1, ~~1979~~ 1980.

Sec. 7. Section four hundred twenty-two point thirty-five (422.35), subsection six (6), Code 1979, is amended to read as follows:

6. Subtract the amount of the ~~new~~ work incentive programs credit allowable for the tax year under section forty (40) or the jobs tax credit allowable for the tax year under section 44B of the Internal Revenue Code of 1954 to the extent that the credit increased federal taxable income.

Sec. 8. Section four hundred twenty-two point thirty-five (422.35), subsection seven (7), paragraph c, Code 1979, is amended to read as follows:

c. If the election under section 172(b)(3)~~(E)~~(C) of the Internal Revenue Code of 1954 is made, the Iowa net operating loss shall be carried forward seven taxable years.

Sec. 9.\* Section four hundred twenty-two point sixty-one (422.61), subsection four (4), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter ninety-two (92), section three (3), is amended to read as follows:

4. "Net income" means the net income of the financial institution computed in accordance with section 422.35, with the exception that interest and dividends from federal securities shall not be subtracted and interest and dividends from evidences of indebtedness and securities of this state and its political subdivisions, exempt from federal income tax under the Internal Revenue Code of 1954 as amended to and including January 1, ~~1979~~ 1980, shall not be added.

Sec. 10. This Act is retroactive to January 1, 1979 for tax years beginning on or after January 1, 1979 and to this extent the provisions of this Act are retroactive.

Sec. 11. This Act, being deemed of immediate importance, takes effect from and after its publication in the Farmer-Labor Press, a newspaper published in Council Bluffs, Iowa, and in The Clinton Herald, a newspaper published in Clinton, Iowa.

Approved March 25, 1980

I hereby certify that the foregoing Act, House File 2470, was published in the Farmer-Labor Press, Council Bluffs, Iowa on April 3, 1980, and in The Clinton Herald, Clinton, Iowa on March 31, 1980.

MELVIN D. SYNHORST, *Secretary of State*

\*See ch 1012, §50 herein