

CHAPTER 151

NOTIFICATION OF TAX SUSPENSION – PUBLIC ASSISTANCE RECIPIENTS

S.F. 223

AN ACT providing for notification of certain persons receiving public assistance of tax suspension provisions.

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

Section 1. Section 427.9, Code 1995, is amended to read as follows:

427.9 SUSPENSION OF TAXES, ASSESSMENTS, AND RATES OR CHARGES, INCLUDING INTEREST, FEES, AND COSTS.

If a person is a recipient of federal supplementary security income or state supplementary assistance, as defined in section 249.1, or is a resident of a health care facility, as defined by section 135C.1, which is receiving payment from the department of human services for the person's care, the person shall be deemed to be unable to contribute to the public revenue. The director of human services shall notify ~~the board of supervisors of the county in which the assisted person owns parcels, as defined in section 445.1, of the fact, giving a statement of a person receiving such assistance of the tax suspension provision and shall provide the person with evidence to present to the appropriate county board of supervisors which shows the person's eligibility for tax suspension on parcels owned, possessed, or upon which the person is paying taxes as a purchaser under contract.~~ The board of supervisors so notified, without the filing of a petition and statement as specified in section 427.8, shall order the county treasurer to suspend the collection of all the taxes, special assessments, and rates or charges, including interest, fees, and costs, assessed against the parcels and remaining unpaid by the person or contractually payable by the person, for such time as the person remains the owner or contractually prospective owner of the parcels, and during the period the person receives assistance as described in this section. The director of human services shall advise the person that the person may apply for an additional property tax credit pursuant to sections 425.16 to 425.39 which shall be credited against the amount of the taxes suspended.

Approved May 4, 1995

CHAPTER 152

INTERNAL REVENUE CODE REFERENCES AND INCOME TAX PROVISIONS

S.F. 201

AN ACT updating the Iowa Code references to the Internal Revenue Code, allowing a deduction for the employer social security credit, and providing retroactive applicability and effective dates.

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

Section 1. Section 15A.9, subsection 8, unnumbered paragraph 2, Code 1995, is amended to read as follows:

For the purposes of this section, "qualifying expenditures for increasing research activities" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under section 41 of the Internal Revenue Code in effect on January 1, ~~1994~~ 1995. The credit authorized in this subsection is in lieu of the credit authorized in section 422.33, subsection 5.

Sec. 2. Section 422.3, subsection 4, Code 1995, is amended to read as follows:

4. "Internal Revenue Code" means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including ~~January 1, 1994~~ April 15, 1995, whichever is applicable.

Sec. 3. Section 422.7, Code 1995, is amended by adding the following new subsection: NEW SUBSECTION. 33. Subtract the amount of the employer social security credit allowable for the tax year under section 45B of the Internal Revenue Code to the extent that the credit increases federal adjusted gross income.

Sec. 4. Section 422.10, unnumbered paragraph 1, Code 1995, is amended to read as follows:

The taxes imposed under this division shall be reduced by a state tax credit for increasing research activities in this state. For individuals, the credit equals six and one-half percent of the state's apportioned share of the qualifying expenditures for increasing research activities. The state's apportioned share of the qualifying expenditures for increasing research activities is a percent equal to the ratio of qualified research expenditures in this state to total qualified research expenditures. For purposes of this section, an individual may claim a research credit for qualifying research expenditures incurred by a partnership, subchapter S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a partnership, subchapter S corporation, estate, or trust. For purposes of this section, "qualifying expenditures for increasing research activities" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under section 41 of the Internal Revenue Code in effect on January 1, ~~1994~~ 1995.

Sec. 5. Section 422.33, subsection 5, unnumbered paragraph 1, Code 1995, is amended to read as follows:

The taxes imposed under this division shall be reduced by a state tax credit for increasing research activities in this state equal to six and one-half percent of the state's apportioned share of the qualifying expenditures for increasing research activities. The state's apportioned share of the qualifying expenditures for increasing research activities is a percent equal to the ratio of qualified research expenditures in this state to the total qualified research expenditures. For purposes of this subsection, "qualifying expenditures for increasing research activities" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under section 41 of the Internal Revenue Code in effect on January 1, ~~1994~~ 1995.

Sec. 6. Section 422.35, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 17. Subtract the amount of the employer social security credit allowable for the tax year under section 45B of the Internal Revenue Code to the extent that the credit increases federal adjusted gross income.

Sec. 7. This Act applies retroactively to January 1, 1994, for tax years beginning on or after that date.

Sec. 8. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 4, 1995