

MAR 6 2003  
EDUCATION

HOUSE FILE 474  
BY ALONS

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act expanding the tuition tax credit under the individual  
2 income tax to include tuition and textbook expenses at an  
3 elementary or secondary school situated outside of Iowa  
4 including a retroactive applicability date provision.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 474

1 Section 1. Section 422.12, subsection 2, Code 2003, is  
2 amended to read as follows:

3 2. A tuition credit equal to twenty-five percent of the  
4 first one thousand dollars which the taxpayer has paid to  
5 others for each dependent in grades kindergarten through  
6 twelve, for tuition and textbooks of each dependent in  
7 attending an elementary or secondary school situated in Iowa,  
8 which school is accredited or approved under section 256.11,  
9 which is not operated for profit, and which adheres to the  
10 provisions of the federal Civil Rights Act of 1964 and chapter  
11 216 or in attending an elementary or secondary school situated  
12 outside Iowa, which school is accredited or approved by that  
13 state, which is not operated for profit, and which adheres to  
14 the provisions of the federal Civil Rights Act of 1964. As  
15 used in this subsection, "textbooks" means books and other  
16 instructional materials and equipment used in elementary and  
17 secondary schools in teaching only those subjects legally and  
18 commonly taught in public elementary and secondary schools in  
19 ~~this~~ the state where the school is situated and does not  
20 include instructional books and materials used in the teaching  
21 of religious tenets, doctrines, or worship, the purpose of  
22 which is to inculcate those tenets, doctrines, or worship.  
23 "Textbooks" includes books or materials used for  
24 extracurricular activities including sporting events, musical  
25 or dramatic events, speech activities, driver's education, or  
26 programs of a similar nature. Notwithstanding any other  
27 provision, all other credits allowed under this section and  
28 section 422.12B shall be deducted before the tuition credit  
29 under this subsection. The department, when conducting an  
30 audit of a taxpayer's return, shall also audit the tuition tax  
31 credit portion of the tax return.

32 As used in this subsection, "tuition" means any charges for  
33 the expenses of personnel, buildings, equipment and materials  
34 other than textbooks, and other expenses of elementary or  
35 secondary schools which relate to the teaching only of those

1 subjects legally and commonly taught in public elementary and  
2 secondary schools in this the state where the school is  
3 situated and which do not relate to the teaching of religious  
4 tenets, doctrines, or worship, the purpose of which is to  
5 inculcate those tenets, doctrines, or worship. "Tuition"  
6 includes those expenses which relate to extracurricular  
7 activities including sporting events, musical or dramatic  
8 events, speech activities, driver's education, or programs of  
9 a similar nature.

10 Sec. 2. APPLICABILITY DATE. This Act applies  
11 retroactively to January 1, 2003, for tax years beginning on  
12 or after that date.

13 EXPLANATION

14 This bill expands the tuition tax credit under the  
15 individual income tax to include nonpublic schools situated  
16 outside Iowa. The present credit equals 25 percent of the  
17 first \$1,000 spent for each dependent to attend a nonpublic  
18 elementary or secondary school in Iowa.

19 The bill applies starting with tax years beginning on or  
20 after January 1, 2003.

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