

FILED JAN 15 '03

SENATE FILE 23
BY MILLER

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to a capital gain deduction for state individual
2 income tax purposes and providing effective and retroactive
3 applicability date provisions.

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

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SF 23
WAYS & MEANS

1 Section 1. Section 422.7, Code 2003, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 21A. Subtract, to the extent not
4 otherwise deducted in determining federal adjusted gross
5 income or under subsection 21, fifty percent of the capital
6 gain on the sale of tangible personal property or real
7 property which was held by the taxpayer for a period of twelve
8 months or more from the date of acquisition and was held by
9 the taxpayer as a capital asset. This subsection does not
10 apply to the sale of livestock and horses.

11 Sec. 2. EFFECTIVE AND APPLICABILITY DATE. This Act, being
12 deemed of immediate importance, takes effect upon enactment
13 and applies retroactively to January 1, 2003, for tax years
14 beginning on or after that date.

15 EXPLANATION

16 This bill provides for a 50 percent deduction of the
17 capital gain from the sale of tangible personal property and
18 real property held by the taxpayer for 12 months or longer.

19 The bill takes effect upon enactment and is applicable
20 beginning with the 2003 tax year.

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