

Senate File 2201 - Introduced

SENATE FILE _____
BY ZAUN, MCKINLEY, WARD, NOBLE,
PUTNEY, GASKILL, BEHN, WIECK,
ZIEMAN, HOUSER, KETTERING,
BOETTGER, HARTSUCH, MULDER,
and JOHNSON

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

A BILL FOR

1 An Act relating to the exemption under the individual income tax
2 of certain federal tax rebates and including a retroactive
3 applicability date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6080SS 82
6 mg/sc/14

PAG LIN

1 1 Section 1. Section 422.9, Code 2007, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 8. In determining the amount of deduction
1 4 for federal income tax under subsection 1 or subsection 2,
1 5 paragraph "b", for tax years beginning in the 2008 calendar
1 6 year, the amount of the deduction for the tax year shall not
1 7 be adjusted by the amount received during the tax year of the
1 8 income tax rebate provided pursuant to the federal Recovery
1 9 Rebates and Economic Stimulus for the American People Act of
1 10 2008, Pub. L. No. 110-185, and the amount of such income tax
1 11 rebate shall not be subject to taxation under this division.
1 12 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies
1 13 retroactively to January 1, 2008, for tax years beginning on
1 14 or after that date and before January 1, 2009.

1 15 EXPLANATION
1 16 Under state individual income tax, an individual is allowed
1 17 a deduction for federal income tax paid during the tax year,
1 18 adjusted by any federal income tax refunds received during the
1 19 same tax year. This bill provides that for the 2008 tax year
1 20 any federal tax rebate received under the federal Recovery
1 21 Rebates and Economic Stimulus for the American People Act of
1 22 2008 is not subject to tax and thus would not be used to
1 23 reduce any deduction an individual has for federal income
1 24 taxes paid.
1 25 The bill applies retroactively to January 1, 2008, for tax
1 26 years that begin on or after that date but before January 1,
1 27 2009.
1 28 LSB 6080SS 82
1 29 mg/sc/14