

**Senate File 92 - Introduced**

SENATE FILE 92

BY ZAUN

**A BILL FOR**

1 An Act exempting from the individual income tax the wages of  
2 individuals who provide services to disabled individuals and  
3 including effective date and applicability provisions.

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

1 Section 1. Section 422.7, Code 2015, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 18. Subtract the amount of wages received  
4 by an individual from an organization organized under chapter  
5 504 and qualifying under section 501(c)(3) of the Internal  
6 Revenue Code as an organization exempt from federal income tax  
7 under section 501(a) of the Internal Revenue Code for services  
8 provided to individuals domiciled in this state who have a  
9 physical or mental impairment that substantially limits one or  
10 more major life activities.

11 Sec. 2. EFFECTIVE DATE. This Act takes effect January 1,  
12 2016.

13 Sec. 3. APPLICABILITY. This Act applies to tax years  
14 beginning on or after January 1, 2016.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with  
17 the explanation's substance by the members of the general assembly.

18 This bill exempts from the individual income tax wages  
19 received by an individual from a nonprofit, tax-exempt  
20 organization organized under Code chapter 504 (revised Iowa  
21 nonprofit corporation Act) for services provided to individuals  
22 domiciled in this state who have a physical or mental  
23 impairment that substantially limits one or more major life  
24 activities.

25 The bill takes effect January 1, 2016, and applies to tax  
26 years beginning on or after that date.