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Fiscal Note

Fiscal Services Division

HF 702 – Summer Youth and Green Corps (LSB 2619HV)
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Fiscal Note Version – New
Requested by Representative Wayne W. Ford

Description

House File 702 relates to programs administered by the Commission on Volunteer Service by establishing Iowa Summer Youth Corps and Green Corps programs, and creates the Iowa Summer Youth Corps Account. Any funds that may be deposited into the Account, in the future, are appropriated to the Commission.

The Bill exempts federal AmeriCorps education award payments from State individual income tax. This provision takes effect on January 1, 2010, and applies to tax years beginning on or after that date. The remainder of the Bill takes effect July 1, 2010.

Background

A grant from the Iowa Power Fund Board has been awarded to fund the Green Iowa AmeriCorps Energy Unit Program through Department of Economic Development for the period of FY 2009 through FY 2011. This grant is currently used as a match for a $336,000 federal AmeriCorps Grant awarded for FY 2009.

Assumptions

- State individual income tax rates remain constant.
- The participants do not have any other income.
- The participants do not have any State or federal income tax withholding.
- The educational awards will be utilized by 80.0% of the participants.
- The average annual educational award is $3,800.
- There will be approximately 680 participants that receive education awards.
- Income earned during a calendar year will be reflected in the following fiscal year.

Summary of Impacts

House File 702 will decrease General Fund revenue by an estimated $37,000 annually beginning with FY 2011 due to excluding federal AmeriCorps education award payments from State individual income tax.

Sources

Department of Economic Development
Department of Natural Resources
Iowa Utilities Board of the Department of Commerce
Iowa Workforce Development
Legislative Services Agency analysis

/s/ Holly M. Lyons

March 19, 2009

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to **Section 2.56**, Code of Iowa. Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.