

Tax Changes and Supplemental Appropriations Bill Senate File 209

Last Action:

Senate Floor

February 17, 2011

An Act relating to public funding and regulatory matters by making appropriations, providing for updated Code references to the Internal Revenue Code, increasing the state earned income tax credit, and including effective date and retroactive applicability provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

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FUNDING SUMMARY

- Provides a total of \$45.8 million of FY 2011 General Fund supplemental appropriations to the Departments of Administrative Services, Education, Public Health, Human Services, Corrections, Inspections and Appeals, and Public Safety. Page 1, Line 1

SIGNIFICANT CODE CHANGES

- Conforms Iowa tax law to federal changes enacted between January 1, 2008, and January 1, 2011. Page 1, Line 3

FISCAL IMPACT: These conformity provisions are estimated to decrease Iowa net General Fund revenue as follows:

- FY 2011 = \$46.7 million
- FY 2012 = \$137.4 million
- FY 2013 = \$43.4 million

- Division II updates Iowa Code references relating to the State Research Activities Tax Credit to incorporate recent changes to the federal research tax credit. Page 2, Line 19
- Division III updates Iowa's tax law to incorporate enhanced business depreciation schedules allowed under federal law, beginning tax year 2011. Page 7, Line 6
- Increases Iowa's Earned Income Tax Credit from 7.0% to 10.0% of the federal credit. Page 11, Line 14

FISCAL IMPACT: This change is projected to decrease net General Fund revenue by the following amounts:

- FY 2011 = \$ 0.1 million
- FY 2012 = \$14.7 million
- FY 2013 = \$13.7 million
- FY 2014 = \$11.5 million
- FY 2015 = \$11.6 million

SUPPLEMENTAL APPROPRIATIONS

- Department of Education: Provides supplemental General Fund appropriations totaling \$5.9 million to the community colleges to restore the mid-year reduction. Includes reductions or additions to correct an error in the application of the allocation formula, established in Code Section 260C.18C, to the original FY 2011 Page 11, Line 26

General Fund appropriations. The corrections do not change the total appropriated to community colleges from the General Fund in FY 2011.

- Department of Corrections: Provides a General Fund supplemental appropriation of \$14.2 million for the Institutions, Community-Based Corrections District Departments, and Central Office. Page 15, Line 4

- Department of Inspections and Appeals, Office of the State Public Defender: Provides a General Fund supplemental appropriation of \$18.6 million for the Office of State Public Defender and the Indigent Defense Fund. Page 17, Line 21

- Department of Public Safety: Provides a General Fund supplemental appropriation totaling \$2,955,000 to five divisions as follows: Page 18, Line 2
 - Administration - \$275,00
 - Division of Criminal Investigation - \$325,00
 - Division of Narcotics Enforcement - \$225,00
 - State Fire Marshal's Office - \$130,00
 - Iowa State Patrol - \$2,000,000

- Department of Public Health: Provides General Fund supplemental appropriations totaling \$1.2 million for addictive disorders, healthy children and families, community capacity, healthy aging, and infectious diseases. Page 18, Line 27

- Department of Human Services: Provides General Fund supplemental appropriations totaling \$2.6 million for the mental health institutes. Page 19, Line 18

1 1 DIVISION I

1 2 Internal Revenue Code References

1 3 Section 1. Section 422.3, subsection 5, Code 2011, is
 1 4 amended to read as follows:

1 5 5. "Internal Revenue Code" means the Internal Revenue Code
 1 6 of 1954, prior to the date of its redesignation as the Internal
 1 7 Revenue Code of 1986 by the Tax Reform Act of 1986, or means
 1 8 the Internal Revenue Code of 1986 as amended to and including
 1 9 January 1, ~~2008~~2011.

CODE: Conforms (couples) Iowa tax law to incorporate federal changes enacted between January 1, 2008, and January 1, 2011. Section 6 of this Bill makes the change retroactive to January 1, 2010.

FISCAL IMPACT: The conformity provisions in this Bill, excluding the Earned Income Tax Credit provision (estimated separately), are projected to decrease Iowa net General Fund revenue by the following amounts:

- FY 2011 = \$ 46.7 million
- FY 2012 = \$137.4 million
- FY 2013 = \$ 43.4 million

On a net basis, the changes are projected to increase State revenue in fiscal years 2014 through 2020 and beyond, as depreciation claimed earlier in an depreciable asset's life is not available as a deduction in later years.

1 10 Sec. 2. Section 422.7, subsection 29A, Code 2011, is amended
 1 11 by striking the subsection.

CODE: Eliminates Code language that refers to the tax status of health insurance premiums for a nonqualified individual. This language became obsolete with the passage of recent federal health care legislation.

1 12 Sec. 3. Section 422.9, subsection 2, paragraph i, Code 2011,
 1 13 is amended to read as follows:

1 14 i. The deduction for state sales and use taxes is allowable
 1 15 only if the taxpayer elected to deduct the state sales and use
 1 16 taxes in lieu of state income taxes under section 164 of the
 1 17 Internal Revenue Code. A deduction for state sales and use
 1 18 taxes is not allowed if the taxpayer has taken the deduction
 1 19 for state income taxes or claimed the standard deduction under
 1 20 section 63 of the Internal Revenue Code. This paragraph
 1 21 applies to taxable years beginning after December 31, 2003, and
 1 22 before January 1, ~~2006~~2008, and to taxable years beginning
 1 23 after December 31, 2009, and before January 1, 2012.

CODE: Extends sales and use tax deduction provisions to include tax years 2006, 2007, and tax years 2010 and 2011.

1 24 Sec. 4. Section 422.32, subsection 7, Code 2011, is amended
 1 25 to read as follows:

1 26 7. "Internal Revenue Code" means the Internal Revenue Code
 1 27 of 1954, prior to the date of its redesignation as the Internal
 1 28 Revenue Code of 1986 by the Tax Reform Act of 1986, or means

CODE: Updates (couples) Iowa tax law to incorporate federal changes enacted between January 1, 2008, and January 1, 2011. Section 6 of this Bill makes the change effective retroactive to January 1, 2011.

1 29 the Internal Revenue Code of 1986 as amended to and including
1 30 January 1, ~~2008~~2011.

1 31 Sec. 5. EFFECTIVE UPON ENACTMENT. This division of this
1 32 Act, being deemed of immediate importance, takes effect upon
1 33 enactment.

Division I is effective on enactment.

1 34 Sec. 6. RETROACTIVE APPLICABILITY. The following provision
1 35 or provisions of this division of this Act apply retroactively
2 1 to January 1, 2010, for tax years beginning on or after that
2 2 date:
2 3 1. The section of this Act amending section 422.3.
2 4 2. The section of this Act amending section 422.32.

Sections 1 and 4, updating Iowa tax law to incorporate recent federal tax law changes, are retroactive to January 1, 2010.

2 5 Sec. 7. RETROACTIVE APPLICABILITY. The following provision
2 6 or provisions of this division of this Act apply retroactively
2 7 to January 1, 2011, for tax years beginning on or after that
2 8 date:
2 9 1. The section of this Act amending section 422.7,
2 10 subsection 29A.

Section 2, deleting obsolete health premium deduction language, is retroactive to January 1, 2011.

2 11 Sec. 8. RETROACTIVE APPLICABILITY. The following provision
2 12 or provisions of this division of this Act apply retroactively
2 13 to tax years beginning on or after January 1, 2006, but before
2 14 January 1, 2008, and to tax years beginning on or after January
2 15 1, 2010, but before January 1, 2012:
2 16 1. The section of this Act amending section 422.9.

Section 3, relating to the deduction of sales and use taxes paid, is retroactive to include tax years 2006, 2007, 2010, and 2011.

2 17 DIVISION II
2 18 Research Activities Credit

2 19 Sec. 9. Section 15.335, subsection 4, Code 2011, is amended
2 20 to read as follows:

2 21 4. a. In lieu of the credit amount computed in subsection
2 22 2, an eligible business may elect to compute the credit amount
2 23 for qualified research expenses incurred in this state in a
2 24 manner consistent with the alternative ~~incremental~~simplified
2 25 credit described in section ~~41(c)(4)~~41(c)(5) of the Internal
2 26 Revenue Code. The taxpayer may make this election regardless
2 27 of the method used for the taxpayer's federal income tax. The
2 28 election made under this paragraph is for the tax year and the
2 29 taxpayer may use another or the same method for any subsequent
2 30 year.

2 31 b. For purposes of the alternate credit computation

DIVISION II:

CODE: Updates Iowa Code references relating to the State Research Activities Tax Credit to incorporate recent changes to the federal research tax credit.

Removes references to the alternative incremental research activities credit and replaces them with references to the alternative simplified research credit. The incremental tax credit was repealed for federal tax purposes and is no longer available.

Alters calculations for the additional research activities tax credit in instances where the eligible business has \$20.0 million or more in gross sales. Division II is effective on enactment.

2 32 method in paragraph "a", the credit percentages applicable to
 2 33 qualified research expenses described in ~~clauses (i), (ii),~~
 2 34 ~~and (iii) of section 41(c)(4)(A)41(c)(5)(A) and clause (ii)~~
 2 35 ~~of section 41(c)(5)(B) of the Internal Revenue Code are as~~
 3 1 follows:

3 2 (1) In the case of an eligible business whose gross revenues
 3 3 do not exceed twenty million dollars per year, the credit
 3 4 percentages are ~~two and fifty four hundredths percent, three~~
 3 5 ~~and thirty eight hundredths percent, and four and twenty three~~
 3 6 ~~hundredths seven percent and three percent, respectively.~~

3 7 (2) In the case of an eligible business whose gross revenues
 3 8 exceed twenty million dollars per year, the credit percentages
 3 9 are ~~seventy six hundredths percent, one and two hundredths~~
 3 10 ~~percent, and one and twenty seven hundredths two and one-tenth~~
 3 11 ~~percent and nine-tenths percent, respectively.~~

3 12 Sec. 10. Section 15.335, subsection 7, Code 2011, is amended
 3 13 to read as follows:

3 14 7. a. For purposes of this section, "base amount", "basic
 3 15 research payment", and "qualified research expense" mean the
 3 16 same as defined for the federal credit for increasing research
 3 17 activities under section 41 of the Internal Revenue Code,
 3 18 except that for the alternative ~~incremental~~ simplified credit
 3 19 such amounts are for research conducted within this state.

3 20 b. For purposes of this section, "Internal Revenue Code"
 3 21 means the Internal Revenue Code in effect on January 1, ~~2009~~
 3 22 2011.

3 23 Sec. 11. Section 15A.9, subsection 8, paragraphs b, c, and
 3 24 e, Code 2011, are amended to read as follows:

3 25 b. In lieu of the credit amount computed in paragraph "a",
 3 26 subparagraph (1), subparagraph division (a), a business may
 3 27 elect to compute the credit amount for qualified research
 3 28 expenses incurred in this state within the zone in a manner
 3 29 consistent with the alternative ~~incremental~~ simplified credit
 3 30 described in section ~~41(c)(4)41(c)(5)~~ of the Internal Revenue
 3 31 Code. The taxpayer may make this election regardless of
 3 32 the method used for the taxpayer's federal income tax. The
 3 33 election made under this paragraph is for the tax year and the
 3 34 taxpayer may use another or the same method for any subsequent
 3 35 year.

4 1 c. For purposes of the alternate credit computation
 4 2 method in paragraph "b", the credit percentages applicable to

4 3 qualified research expenses described in ~~clauses (i), (ii), and~~
 4 4 ~~(iii) of section 41(c)(4)(A)41(c)(5)(A) and clause (ii) of~~
 4 5 ~~section 41(c)(5)(B) of the Internal Revenue Code are three and~~
 4 6 ~~thirty hundredths percent, four and forty hundredths percent,~~
 4 7 ~~and five and fifty hundredths percent, respectively as follows:~~
 4 8 (1) In the case of an eligible business whose gross revenues
 4 9 do not exceed twenty million dollars per year, the credit
 4 10 percentages are seven percent and three percent, respectively.
 4 11 (2) In the case of an eligible business whose gross revenues
 4 12 exceed twenty million dollars per year, the credit percentages
 4 13 are two and one-tenths percent and nine-tenths percent,
 4 14 respectively.
 4 15 e. (1) For the purposes of this subsection, "base amount",
 4 16 "basic research payment", and "qualified research expense" mean
 4 17 the same as defined for the federal credit for increasing
 4 18 research activities under section 41 of the Internal Revenue
 4 19 Code, except that for the alternative ~~incremental~~ simplified
 4 20 credit such amounts are for research conducted within this
 4 21 state within the zone.
 4 22 (2) For purposes of this subsection, "Internal Revenue Code"
 4 23 means the Internal Revenue Code in effect on January 1, ~~2009~~
 4 24 2011.

4 25 Sec. 12. Section 422.10, subsection 1, paragraphs b and c,
 4 26 Code 2011, are amended to read as follows:
 4 27 b. In lieu of the credit amount computed in paragraph "a",
 4 28 subparagraph (1), subparagraph division (a), a taxpayer may
 4 29 elect to compute the credit amount for qualified research
 4 30 expenses incurred in this state in a manner consistent with the
 4 31 alternative ~~incremental~~ simplified credit described in section
 4 32 ~~41(c)(4)41(c)(5) of the Internal Revenue Code. The taxpayer~~
 4 33 ~~may make this election regardless of the method used for the~~
 4 34 ~~taxpayer's federal income tax. The election made under this~~
 4 35 ~~paragraph is for the tax year and the taxpayer may use another~~
 5 1 ~~or the same method for any subsequent year.~~
 5 2 c. For purposes of the alternate credit computation
 5 3 method in paragraph "b", the credit percentages applicable
 5 4 to qualified research expenses described in ~~clauses (i),~~
 5 5 ~~(ii), and (iii) of section 41(c)(4)(A)41(c)(5)(A) and clause~~
 5 6 ~~(ii) of section 41(c)(5)(B) of the Internal Revenue Code~~
 5 7 ~~are one and sixty five hundredths percent, two and twenty~~
 5 8 ~~hundredths percent, and two and seventy five hundredths~~
 5 9 ~~and fifty-five hundredths percent and one and ninety-five~~

5 10 ~~hundredths~~ percent, respectively.

5 11 Sec. 13. Section 422.10, subsection 3, Code 2011, is amended
5 12 to read as follows:

5 13 3. a. For purposes of this section, “base amount”, “basic
5 14 research payment”, and “qualified research expense” mean the
5 15 same as defined for the federal credit for increasing research
5 16 activities under section 41 of the Internal Revenue Code,
5 17 except that for the alternative ~~incremental~~ simplified credit
5 18 such amounts are for research conducted within this state.

5 19 b. For purposes of this section, “Internal Revenue Code”
5 20 means the Internal Revenue Code in effect on January 1, ~~2009~~
5 21 2011.

5 22 Sec. 14. Section 422.33, subsection 5, paragraphs b, c, and
5 23 d, Code 2011, are amended to read as follows:

5 24 b. In lieu of the credit amount computed in paragraph
5 25 “a”, subparagraph (1), a corporation may elect to compute the
5 26 credit amount for qualified research expenses incurred in this
5 27 state in a manner consistent with the alternative ~~incremental~~
5 28 simplified credit described in section ~~41(e)(4)~~ 41(c)(5) of the
5 29 Internal Revenue Code. The taxpayer may make this election
5 30 regardless of the method used for the taxpayer’s federal income
5 31 tax. The election made under this paragraph is for the tax
5 32 year and the taxpayer may use another or the same method for
5 33 any subsequent year.

5 34 c. For purposes of the alternate credit computation
5 35 method in paragraph “b”, the credit percentages applicable
6 1 to qualified research expenses described in ~~clauses (i),~~
6 2 ~~(ii), and (iii) of section 41(e)(4)(A)~~ 41(c)(5)(A) and clause
6 3 ~~(ii) of section 41(c)(5)(B) of the Internal Revenue Code~~
6 4 ~~are one and sixty five hundredths percent, two and twenty~~
6 5 ~~hundredths percent, and two and seventy five hundredths~~ four
6 6 and fifty-five hundredths percent and one and ninety-five
6 7 hundredths percent, respectively.

6 8 (1) For purposes of this subsection, “base amount”,
6 9 “basic research payment”, and “qualified research expense” mean
6 10 the same as defined for the federal credit for increasing
6 11 research activities under section 41 of the Internal Revenue
6 12 Code, except that for the alternative ~~incremental~~ simplified
6 13 credit such amounts are for research conducted within this
6 14 state.

6 15 (2) For purposes of this subsection, “Internal Revenue Code”

6 16 means the Internal Revenue Code in effect on January 1, ~~2009~~
6 17 2011.

6 18 Sec. 15. EFFECTIVE UPON ENACTMENT. This division of this
6 19 Act, being deemed of immediate importance, takes effect upon
6 20 enactment.

6 21 Sec. 16. RETROACTIVE APPLICABILITY. The following
6 22 provision or provisions of this division of this Act apply
6 23 retroactively to July 1, 2010, for tax credits awarded on or
6 24 after that date:

6 25 1. The section of this Act amending section 15.335,
6 26 subsection 4.

6 27 2. The section of this Act amending section 15A.9.

6 28 Sec. 17. RETROACTIVE APPLICABILITY. The following
6 29 provision or provisions of this division of this Act apply
6 30 retroactively to January 1, 2010, for tax years beginning on
6 31 or after that date:

6 32 1. The section of this Act amending section 15.335,
6 33 subsection 7.

6 34 2. The section of this Act amending section 422.10,
6 35 subsection 1.

7 1 3. The section of this Act amending section 422.10,
7 2 subsection 3.

7 3 4. The section of this Act amending section 422.33.

7 4 DIVISION III

7 5 BONUS DEPRECIATION

7 6 Sec. 18. Section 422.5, subsection 2, paragraph b,
7 7 subparagraph (1), Code 2011, is amended to read as follows:
7 8 (1) Add items of tax preference included in federal
7 9 alternative minimum taxable income under section 57, except
7 10 subsections (a)(1), (a)(2), and (a)(5), of the Internal Revenue
7 11 Code, make the adjustments included in federal alternative
7 12 minimum taxable income under section 56, except subsections
7 13 (a)(4), (b)(1)(C)(iii), and (d), of the Internal Revenue Code,
7 14 and add losses as required by section 58 of the Internal
7 15 Revenue Code. To the extent that any preference or adjustment
7 16 is determined by an individual's federal adjusted gross income,
7 17 the individual's federal adjusted gross income is computed in
7 18 accordance with section 422.7, ~~subsection~~ subsections 39, 39A,
7 19 39B, and 53. In the case of an estate or trust, the items of

Sections 9 and 11, relating to the research activities tax credit, are retroactive to July 1, 2010.

Sections 10, 12, 13, and 14, relating to the alternative incremental research activities tax credit, are retroactive to January 1, 2010.

DIVISION III:

CODE: Updates Iowa's tax law to incorporate enhanced business depreciation schedules allowed under federal law, beginning tax year 2011. The depreciation schedules are commonly referred to as "Section 179 expensing" and "bonus depreciation."

7 20 tax preference, adjustments, and losses shall be apportioned
7 21 between the estate or trust and the beneficiaries in accordance
7 22 with rules prescribed by the director.

7 23 Sec. 19. Section 422.7, Code 2011, is amended by adding the
7 24 following new subsections:

7 25 NEW SUBSECTION 39A. The additional first-year
7 26 depreciation allowance authorized in section 168(k) of the
7 27 Internal Revenue Code, as enacted by Pub.L. No.110-185,
7 28 section 103, Pub.L.No.111-5, section 1201, Pub.L. No.
7 29 111-240, section 2022, and Pub.L. No.111-312, section 401,
7 30 does not apply in computing net income for state tax purposes
7 31 for tax years beginning before January 1, 2011. If the
7 32 taxpayer has taken the additional first-year depreciation
7 33 allowance for purposes of computing federal adjusted gross
7 34 income, then the taxpayer shall make the following adjustments
7 35 to federal adjusted gross income when computing net income for

8 1 state tax purposes:

8 2 a. Add the total amount of depreciation taken under section
8 3 168(k) of the Internal Revenue Code for the tax year.

8 4 b. Subtract the amount of depreciation allowable under the
8 5 modified accelerated cost recovery system described in section
8 6 168 of the Internal Revenue Code and calculated without regard
8 7 to section 168(k).

8 8 c. Any other adjustments to gains or losses necessary to
8 9 reflect the adjustments made in paragraphs "a" and "b". The
8 10 director shall adopt rules for the administration of this
8 11 paragraph.

8 12 NEW SUBSECTION 39B. The additional first-year
8 13 depreciation allowance authorized in section 168(n) of the
8 14 Internal Revenue Code, as enacted by Pub.L. No.110-343,
8 15 section 710, does not apply in computing net income for
8 16 state tax purposes for tax years beginning before January 1,
8 17 2011. If the taxpayer has taken the additional first-year
8 18 depreciation allowance for purposes of computing federal
8 19 adjusted gross income, then the taxpayer shall make the
8 20 following adjustments to federal adjusted gross income when
8 21 computing net income for state tax purposes:

8 22 a. Add the total amount of depreciation taken under section
8 23 168(n) of the Internal Revenue Code for the tax year.

8 24 b. Subtract the amount of depreciation allowable under the
8 25 modified accelerated cost recovery system described in section
8 26 168 of the Internal Revenue Code and calculated without regard

8 27 to section 168(n).

8 28 c. Any other adjustments to gains or losses necessary to
8 29 reflect the adjustments made in paragraphs "a" and "b". The
8 30 director shall adopt rules for the administration of this
8 31 paragraph.

8 32 Sec. 20. Section 422.7, subsection 53, Code 2011, is amended
8 33 to read as follows:

8 34 53. A taxpayer is not allowed to take the increased
8 35 expensing allowance under section 179 of the Internal Revenue
9 1 Code, as amended by Pub.L. No. ~~440-185~~ 111-5, section 1202, in
9 2 computing adjusted gross income for state tax purposes.

9 3 Sec. 21. Section 422.9, subsection 2, paragraph h, Code
9 4 2011, is amended to read as follows:

9 5 h. For purposes of calculating the deductions in this
9 6 subsection that are authorized under the Internal Revenue Code,
9 7 and to the extent that any of such deductions is determined by
9 8 an individual's federal adjusted gross income, the individual's
9 9 federal adjusted gross income is computed in accordance with
9 10 section 422.7, ~~subsection~~ subsections 39, 39A, 39B, and 53.

9 11 Sec. 22. Section 422.35, Code 2011, is amended by adding the
9 12 following new subsections:

9 13 NEW SUBSECTION 19A. The additional first-year
9 14 depreciation allowance authorized in section 168(k) of the
9 15 Internal Revenue Code, as enacted by Pub.L. No.110-185,
9 16 section 103, Pub.L. No.111-5, section 1201, Pub.L. No.
9 17 111-240, section 2022, and Pub.L. No.111-312, section 401,
9 18 does not apply in computing net income for state tax purposes
9 19 for tax years beginning before January 1, 2011. If the
9 20 taxpayer has taken the additional first-year depreciation
9 21 allowance for purposes of computing federal taxable income,
9 22 then the taxpayer shall make the following adjustments to
9 23 federal taxable income when computing net income for state tax
9 24 purposes:

9 25 a. Add the total amount of depreciation taken under section
9 26 168(k) of the Internal Revenue Code for the tax year.

9 27 b. Subtract the amount of depreciation allowable under the
9 28 modified accelerated cost recovery system described in section
9 29 168 of the Internal Revenue Code and calculated without regard
9 30 to section 168(k).

9 31 c. Any other adjustments to gains or losses necessary to

9 32 reflect the adjustments made in paragraphs "a" and "b". The
 9 33 director shall adopt rules for the administration of this
 9 34 paragraph.
 9 35 NEW SUBSECTION 19B. The additional first-year
 10 1 depreciation allowance authorized in section 168(n) of the
 10 2 Internal Revenue Code, as enacted by Pub.L. No.110-343,
 10 3 section 710, does not apply in computing net income for
 10 4 state tax purposes for tax years beginning before January 1,
 10 5 2011. If the taxpayer has taken the additional first-year
 10 6 depreciation allowance for purposes of computing federal
 10 7 taxable income, then the taxpayer shall make the following
 10 8 adjustments to federal taxable income when computing net income
 10 9 for state tax purposes:
 10 10 a. Add the total amount of depreciation taken under section
 10 11 168(n) of the Internal Revenue Code for the tax year.
 10 12 b. Subtract the amount of depreciation allowable under the
 10 13 modified accelerated cost recovery system described in section
 10 14 168 of the Internal Revenue Code and calculated without regard
 10 15 to section 168(n).
 10 16 c. Any other adjustments to gains or losses necessary to
 10 17 reflect the adjustments made in paragraphs "a" and "b". The
 10 18 director shall adopt rules for the administration of this
 10 19 paragraph.

10 20 Sec. 23. Section 422.35, subsection 24, Code 2011, is
 10 21 amended to read as follows:
 10 22 24. A taxpayer is not allowed to take the increased
 10 23 expensing allowance under section 179 of the Internal Revenue
 10 24 Code, as amended by Pub.L. No. ~~440-185~~ 111-5, section 1202, in
 10 25 computing taxable income for state tax purposes.

10 26 Sec. 24. EFFECTIVE UPON ENACTMENT. This division of this
 10 27 Act, being deemed of immediate importance, takes effect upon
 10 28 enactment.

10 29 Sec. 25. RETROACTIVE APPLICABILITY. The following
 10 30 provision or provisions of this division of this Act apply
 10 31 retroactively to January 1, 2008, for tax years ending on or
 10 32 after that date:
 10 33 1. The section of this Act amending section 422.5.
 10 34 2. The section of this Act enacting section 422.7, new
 10 35 subsections 39A and 39B.
 11 1 3. The section of this Act amending section 422.9.

Division III is effective on enactment.

Sections 18, 19, 21, and 22, relating to enhanced depreciation schedules,
 are retroactive to tax years ending on or after January 1, 2008.

11 2 4. The section of this Act enacting section 422.35, new
11 3 subsections 19A and 19B.

11 4 Sec. 26. RETROACTIVE APPLICABILITY. The following
11 5 provision or provisions of this division of this Act apply
11 6 retroactively to January 1, 2009, for tax years beginning on or
11 7 after that date, and before January 1, 2010:

11 8 1. The section of this Act amending section 422.7,
11 9 subsection 53.

11 10 2. The section of this Act amending section 422.35,
11 11 subsection 24.

11 12 DIVISION IV
11 13 EARNED INCOME TAX CREDIT

11 14 Sec. 27. Section 422.12B, subsection 1, Code 2011, is
11 15 amended to read as follows:

11 16 1. The taxes imposed under this division less the credits
11 17 allowed under section 422.12 shall be reduced by an earned
11 18 income credit equal to ~~seventeen~~ ten percent of the federal earned
11 19 income credit provided in section 32 of the Internal Revenue
11 20 Code. Any credit in excess of the tax liability is refundable.

Sections 20 and 23, relating to enhanced Section 179 expensing, are retroactive to tax years beginning on or after January 1, 2009, and before January 1, 2010.

CODE: Increases Iowa's Earned Income Tax Credit from the current level of 7.0% of the federal credit, to 10.0% of the federal credit.

This change is projected to decrease net General Fund revenue by the following amounts:

- FY 2011 = \$ 0.1 million
- FY 2012 = \$14.7 million
- FY 2013 = \$13.7 million
- FY 2014 = \$11.5 million
- FY 2015 = \$11.6 million

The impact will continue at similar levels in future fiscal years. Since the tax credit is refundable, there is no impact on the local option income surtax for schools.

11 21 Sec. 28. RETROACTIVE APPLICABILITY. This division of this
11 22 Act applies retroactively to January 1, 2011, for tax years
11 23 beginning on or after that date.

This Division is retroactive to January 1, 2011, for tax years beginning on or after that date.

11 24 DIVISION V
11 25 SUPPLEMENTAL APPROPRIATIONS

11 26 Sec. 29. DEPARTMENT OF EDUCATION — COMMUNITY
11 27 COLLEGES. After applying the reductions made pursuant to 2010
11 28 Iowa Acts, chapter 1193, section 27, to the appropriations made
11 29 for the following designated purposes, there is appropriated
11 30 from the general fund of the state to the department of

The following supplemental appropriations for community colleges also include reductions or additions, as noted, to correct an error in the application of the allocation formula, established in Code Section 260C.18C,

11 31 education for the fiscal year beginning July 1, 2010, and
 11 32 ending June 30, 2011, the following amounts, or so much thereof
 11 33 as is necessary, to supplement the appropriations made for the
 11 34 following designated purposes:

to the original FY 2011 General Fund appropriations. The corrections do not change the total appropriated to community colleges from the General Fund in FY 2011.

11 35 1.MERGED AREA I — NORTHEAST IOWA COMMUNITY COLLEGE

General Fund supplemental appropriation to Northeast Iowa Community College for general financial aid.

12 1 For general state financial aid for merged area I, in
 12 2 2010 Iowa Acts, chapter 1183, section 6, subsection 19, and
 12 3 reflecting a corrective addition of \$4,474 in the overall
 12 4 amount appropriated for the merged area's general state
 12 5 financial aid for the fiscal year:
 12 6 \$ 298,883

DETAIL: The appropriation reflects a corrective addition of \$4,474 and a supplemental addition of \$294,409 to restore the mid-year reduction.

12 7 2.MERGED AREA II — NORTH IOWA AREA COMMUNITY COLLEGE

General Fund supplemental appropriation to North Iowa Area Community College for general financial aid.

12 8 For general state financial aid for merged area II, in
 12 9 2010 Iowa Acts, chapter 1183, section 6, subsection 20, and
 12 10 reflecting a corrective reduction of \$28,512 in the overall
 12 11 amount appropriated for the merged area's general state
 12 12 financial aid for the fiscal year:
 12 13 \$ 286,545

DETAIL: The appropriation reflects a corrective reduction of \$28,512 and a supplemental addition of \$315,057 to restore the mid-year reduction.

12 14 3.MERGED AREA III — IOWA LAKES COMMUNITY COLLEGE

General Fund supplemental appropriation to Iowa Lakes Community College for general financial aid.

12 15 For general state financial aid for merged area III, in
 12 16 2010 Iowa Acts, chapter 1183, section 6, subsection 21, and
 12 17 reflecting a corrective reduction of \$32,233 in the overall
 12 18 amount appropriated for the merged area's general state
 12 19 financial aid for the fiscal year:
 12 20 \$ 257,873

DETAIL: The appropriation reflects a corrective reduction of \$32,233 and a supplemental addition of \$290,106 to restore the mid-year reduction.

12 21 4.MERGED AREA IV — NORTHWEST COMMUNITY COLLEGE

General Fund supplemental appropriation to Northwest Community College for general financial aid.

12 22 For general state financial aid for merged area IV, in
 12 23 2010 Iowa Acts, chapter 1183, section 6, subsection 22, and
 12 24 reflecting a corrective reduction of \$13,939 in the overall
 12 25 amount appropriated for the merged area's general state
 12 26 financial aid for the fiscal year:
 12 27 \$ 128,526

DETAIL: The appropriation reflects a corrective reduction of \$13,939 and a supplemental addition of \$142,465 to restore the mid-year reduction.

12 28 5.MERGED AREA V — IOWA CENTRAL COMMUNITY COLLEGE

General Fund supplemental appropriation to Iowa Central Community College for general financial aid.

12 29 For general state financial aid for merged area V, in
 12 30 2010 Iowa Acts, chapter 1183, section 6, subsection 23, and
 12 31 reflecting a corrective addition of \$18,745 in the overall
 12 32 amount appropriated for the merged area's general state
 12 33 financial aid for the fiscal year:
 12 34 \$ 344,251

DETAIL: The appropriation reflects a corrective addition of \$18,745 and a supplemental addition of \$325,506 to restore the mid-year reduction.

<p>12 35 6.MERGED AREA VI — IOWA VALLEY COMMUNITY COLLEGE DISTRICT 13 1 For general state financial aid for merged area VI, in 13 2 2010 Iowa Acts, chapter 1183, section 6, subsection 24, and 13 3 reflecting a corrective reduction of \$25,507 in the overall 13 4 amount appropriated for the merged area's general state 13 5 financial aid for the fiscal year: 13 6</p>	<p>General Fund supplemental appropriation to Iowa Valley Community College for general financial aid. DETAIL: The appropriation reflects a corrective reduction of \$25,507 and a supplemental addition of \$277,449 to restore the mid-year reduction.</p>
<p>13 7 7.MERGED AREA VII — HAWKEYE COMMUNITY COLLEGE 13 8 For general state financial aid for merged area VII, in 13 9 2010 Iowa Acts, chapter 1183, section 6, subsection 25, and 13 10 reflecting a corrective reduction of \$11,837 in the overall 13 11 amount appropriated for the merged area's general state 13 12 financial aid for the fiscal year: 13 13</p>	<p>General Fund supplemental appropriation to Hawkeye Community College for general financial aid. DETAIL: The appropriation reflects a corrective reduction of \$11,837 and a supplemental addition of \$413,135 to restore the mid-year reduction.</p>
<p>13 14 8.MERGED AREA IX — EASTERN IOWA COMMUNITY COLLEGE 13 15 For general state financial aid for merged area IX, in 13 16 2010 Iowa Acts, chapter 1183, section 6, subsection 26, and 13 17 reflecting a corrective reduction of \$4,921 in the overall 13 18 amount appropriated for the merged area's general state 13 19 financial aid for the fiscal year: 13 20</p>	<p>General Fund supplemental appropriation to Eastern Iowa Community College for general financial aid. DETAIL: The appropriation reflects a corrective reduction of \$4,921 and a supplemental addition of \$513,882 to restore the mid-year reduction.</p>
<p>13 21 9.MERGED AREA X — KIRKWOOD COMMUNITY COLLEGE 13 22 For general state financial aid for merged area X, in 13 23 2010 Iowa Acts, chapter 1183, section 6, subsection 27, and 13 24 reflecting a corrective addition of \$55,034 in the overall 13 25 amount appropriated for the merged area's general state 13 26 financial aid for the fiscal year: 13 27</p>	<p>General Fund supplemental appropriation to Kirkwood Community College for general financial aid. DETAIL: The appropriation reflects a corrective addition of \$55,034 and a supplemental addition of \$904,010 to restore the mid-year reduction.</p>
<p>13 28 10.MERGED AREA XI — DES MOINES AREA COMMUNITY COLLEGE 13 29 For general state financial aid for merged area XI, in 13 30 2010 Iowa Acts, chapter 1183, section 6, subsection 28, and 13 31 reflecting a corrective addition of \$106,395 in the overall 13 32 amount appropriated for the merged area's general state 13 33 financial aid for the fiscal year: 13 34</p>	<p>General Fund supplemental appropriation to Des Moines Area Community College for general financial aid. DETAIL: The appropriation reflects a corrective addition of \$106,395 and a supplemental addition of \$910,241 to restore the mid-year reduction.</p>
<p>13 35 11.MERGED AREA XII — WESTERN IOWA TECH COMMUNITY COLLEGE 14 1 For general state financial aid for merged area XII, in</p>	<p>General Fund supplemental appropriation to Western Iowa Tech Community College for general financial aid.</p>

<p>14 2 2010 Iowa Acts, chapter 1183, section 6, subsection 29, and 14 3 reflecting a corrective reduction of \$8,974 in the overall 14 4 amount appropriated for the merged area's general state 14 5 financial aid for the fiscal year: 14 6 \$ 328,413</p> <p>14 7 12.MERGED AREA XIII — IOWA WESTERN COMMUNITY COLLEGE 14 8 For general state financial aid for merged area XIII, in 14 9 2010 Iowa Acts, chapter 1183, section 6, subsection 30, and 14 10 reflecting a corrective addition of \$9,196 in the overall 14 11 amount appropriated for the merged area's general state 14 12 financial aid for the fiscal year: 14 13 \$ 355,950</p> <p>14 14 13.MERGED AREA XIV — SOUTHWESTERN COMMUNITY COLLEGE 14 15 For general state financial aid for merged area XIV, in 14 16 2010 Iowa Acts, chapter 1183, section 6, subsection 31, and 14 17 reflecting a corrective reduction of \$12,340 in the overall 14 18 amount appropriated for the merged area's general state 14 19 financial aid for the fiscal year: 14 20 \$ 132,279</p> <p>14 21 14.MERGED AREA XV — INDIAN HILLS COMMUNITY COLLEGE 14 22 For general state financial aid for merged area XV, in 14 23 2010 Iowa Acts, chapter 1183, section 6, subsection 32, and 14 24 reflecting a corrective reduction of \$43,717 in the overall 14 25 amount appropriated for the merged area's general state 14 26 financial aid for the fiscal year: 14 27 \$ 409,622</p> <p>14 28 15.MERGED AREA XVI — SOUTHEASTERN COMMUNITY COLLEGE 14 29 For general state financial aid for merged area XVI, in 14 30 2010 Iowa Acts, chapter 1183, section 6, subsection 33, and 14 31 reflecting a corrective reduction of \$11,864 in the overall 14 32 amount appropriated for the merged area's general state 14 33 financial aid for the fiscal year: 14 34 \$ 248,098</p> <p>14 35 16. For distribution to community colleges to supplement 15 1 faculty salaries, in 2010 Iowa Acts, chapter 1183, section 8: 15 2 \$ 20,415</p> <p>15 3 Sec. 30. DEPARTMENT OF CORRECTIONS. After applying the</p>	<p>DETAIL: The appropriation reflects a corrective reduction of \$8,974 and a supplemental addition of \$337,387 to restore the mid-year reduction.</p> <p>General Fund supplemental appropriation to Iowa Western Community College for general financial aid.</p> <p>DETAIL: The appropriation reflects a corrective addition of \$9,196 and a supplemental addition of \$346,754 to restore the mid-year reduction.</p> <p>General Fund supplemental appropriation to Southwestern Community College for general financial aid.</p> <p>DETAIL: The appropriation reflects a corrective reduction of \$12,340 and a supplemental addition of \$144,619 to restore the mid-year reduction.</p> <p>General Fund supplemental appropriation to Indian Hills Community College for general financial aid.</p> <p>DETAIL: The appropriation reflects a corrective reduction of \$43,717 and a supplemental addition of \$453,339 to restore the mid-year reduction.</p> <p>General Fund supplemental appropriation to Southeastern Community College for general financial aid.</p> <p>DETAIL: The appropriation reflects a corrective reduction of \$11,864 and a supplemental addition of \$259,962 to restore the mid-year reduction.</p> <p>General Fund supplemental appropriation to community colleges to supplement faculty salaries.</p> <p>DETAIL: The appropriation restores the mid-year reduction.</p>
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15 4 reductions made pursuant to 2010 Iowa Acts, chapter 1193,
 15 5 section 27, and any transfers made pursuant to 2010 Iowa Acts,
 15 6 chapter 1193, section 28, to the appropriations made for the
 15 7 following designated purposes, there is appropriated from the
 15 8 general fund of the state to the department of corrections
 15 9 for the fiscal year beginning July 1, 2010, and ending June
 15 10 30, 2011, the following amounts, or so much thereof as is
 15 11 necessary, to supplement the appropriations made for the
 15 12 following designated purposes:
 15 13 1. For the operation of adult correctional institutions in
 15 14 2010 Iowa Acts, chapter 1190, section 3, subsection 1, to be
 15 15 allocated as follows:

15 16 a. For the operation of the Fort Madison correctional
 15 17 facility in 2010 Iowa Acts, chapter 1190, section 3, subsection
 15 18 1, paragraph "a":
 15 19 \$ 1,920,083

General Fund supplemental appropriation to the Department of Corrections (DOC) for the Iowa State Penitentiary at Fort Madison.

DETAIL: Partially restores the mid-year reduction.

15 20 b. For the operation of the Anamosa correctional facility
 15 21 in 2010 Iowa Acts, chapter 1190, section 3, subsection 1,
 15 22 paragraph "b":
 15 23 \$ 1,293,060

General Fund supplemental appropriation to the DOC for the Anamosa State Penitentiary.

DETAIL: Partially restores the mid-year reduction.

15 24 c. For the operation of the Oakdale correctional facility
 15 25 in 2010 Iowa Acts, chapter 1190, section 3, subsection 1,
 15 26 paragraph "c":
 15 27 \$ 2,385,141

General Fund supplemental appropriation to the DOC for the Oakdale Correctional Facility.

DETAIL: Partially restores the mid-year reduction.

15 28 d. For the operation of the Newton correctional facility
 15 29 in 2010 Iowa Acts, chapter 1190, section 3, subsection 1,
 15 30 paragraph "d":
 15 31 \$ 1,101,460

General Fund supplemental appropriation to the DOC for the Newton Correctional Facility.

DETAIL: Partially restores the mid-year reduction.

15 32 e. For the operation of the Mount Pleasant correctional
 15 33 facility in 2010 Iowa Acts, chapter 1190, section 3, subsection
 15 34 1, paragraph "e":
 15 35 \$ 1,359,865

General Fund supplemental appropriation to the DOC for the Mount Pleasant Correctional Facility.

DETAIL: Partially restores the mid-year reduction.

16 1 f. For the operation of the Rockwell City correctional
 16 2 facility in 2010 Iowa Acts, chapter 1190, section 3, subsection
 16 3 1, paragraph "f":
 16 4 \$ 412,008

General Fund supplemental appropriation to the DOC for the Rockwell City Correctional Facility.

DETAIL: Partially restores the mid-year reduction.

16 5 g. For the operation of the Clarinda correctional facility

General Fund supplemental appropriation to the DOC for the Clarinda

<p>16 6 in 2010 Iowa Acts, chapter 1190, section 3, subsection 1, 16 7 paragraph "g": 16 8</p>	<p>\$ 1,180,617</p>	<p>Correctional Facility. DETAIL: Partially restores the mid-year reduction.</p>
<p>16 9 h. For the operation of the Mitchellville correctional 16 10 facility in 2010 Iowa Acts, chapter 1190, section 3, subsection 16 11 1, paragraph "h": 16 12</p>	<p>\$ 504,674</p>	<p>General Fund supplemental appropriation to the DOC for the Mitchellville Correctional Facility. DETAIL: Partially restores the mid-year reduction.</p>
<p>16 13 i. For the operation of the Fort Dodge correctional facility 16 14 in 2010 Iowa Acts, chapter 1190, section 3, subsection 1, 16 15 paragraph "i": 16 16</p>	<p>\$ 1,162,060</p>	<p>General Fund supplemental appropriation to the DOC for the Fort Dodge Correctional Facility. DETAIL: Partially restores the mid-year reduction.</p>
<p>16 17 2. For general administration in 2010 Iowa Acts, chapter 16 18 1190, section 4: 16 19</p>	<p>\$ 110,202</p>	<p>General Fund supplemental appropriation to the DOC for the Central Office. DETAIL: Partially restores the mid-year reduction.</p>
<p>16 20 3. For the judicial district departments of correctional 16 21 services in 2010 Iowa Acts, chapter 1190, section 5, subsection 16 22 1, to be allocated as follows:</p>		
<p>16 23 a. For the first judicial district department of 16 24 correctional services in 2010 Iowa Acts, chapter 1190, section 16 25 5, subsection 1, paragraph "a": 16 26</p>	<p>\$ 393,353</p>	<p>General Fund supplemental appropriation to the DOC for the First Community-Based Corrections (CBC) District Department. DETAIL: Partially restores the mid-year reduction.</p>
<p>16 27 b. For the second judicial district department of 16 28 correctional services in 2010 Iowa Acts, chapter 1190, section 16 29 5, subsection 1, paragraph "b": 16 30</p>	<p>\$ 360,912</p>	<p>General Fund supplemental appropriation to the DOC for the Second CBC District Department. DETAIL: Partially restores the mid-year reduction.</p>
<p>16 31 c. For the third judicial district department of 16 32 correctional services in 2010 Iowa Acts, chapter 1190, section 16 33 5, subsection 1, paragraph "c": 16 34</p>	<p>\$ 221,793</p>	<p>General Fund supplemental appropriation to the DOC for the Third CBC District Department. DETAIL: Partially restores the mid-year reduction.</p>
<p>16 35 d. For the fourth judicial district department of 17 1 correctional services in 2010 Iowa Acts, chapter 1190, section 17 2 5, subsection 1, paragraph "d": 17 3</p>	<p>\$ 169,067</p>	<p>General Fund supplemental appropriation to the DOC for the Fourth CBC District Department. DETAIL: Partially restores the mid-year reduction.</p>
<p>17 4 e. For the fifth judicial district department of 17 5 correctional services in 2010 Iowa Acts, chapter 1190, section</p>		<p>General Fund supplemental appropriation to the DOC for the Fifth CBC District Department.</p>

<p>17 6 5, subsection 1, paragraph "e": 17 7 \$ 723,637</p> <p>17 8 f. For the sixth judicial district department of 17 9 correctional services in 2010 Iowa Acts, chapter 1190, section 17 10 5, subsection 1, paragraph "f": 17 11 \$ 460,329</p> <p>17 12 g. For the seventh judicial district department of 17 13 correctional services in 2010 Iowa Acts, chapter 1190, section 17 14 5, subsection 1, paragraph "g": 17 15 \$ 265,431</p> <p>17 16 h. For the eighth judicial district department of 17 17 correctional services in 2010 Iowa Acts, chapter 1190, section 17 18 5, subsection 1, paragraph "h": 17 19 \$ 177,991</p> <p>17 20 Sec. 31. STATE PUBLIC DEFENDER. After applying the 17 21 reductions made pursuant to 2010 Iowa Acts, chapter 1193, 17 22 section 27, to the appropriations made for the following 17 23 designated purposes, there is appropriated from the general 17 24 fund of the state to the office of the state public defender of 17 25 the department of inspections and appeals for the fiscal year 17 26 beginning July 1, 2010, and ending June 30, 2011, the following 17 27 amounts, or so much thereof as is necessary, to supplement the 17 28 appropriations made for the following designated purposes:</p> <p>17 29 1. For the office of the state public defender, in 2010 Iowa 17 30 Acts, chapter 1190, section 10, subsection 1: 17 31 \$ 2,551,500</p> <p>17 32 2. For the fees of court-appointed attorneys for indigent 17 33 adults and juveniles, in accordance with section 232.141 and 17 34 chapter 815, in 2010 Iowa Acts, chapter 1190, section 10, 17 35 subsection 2: 18 1 \$ 16,000,000</p> <p>18 2 Sec. 32. DEPARTMENT OF PUBLIC SAFETY. After applying the 18 3 reductions made pursuant to 2010 Iowa Acts, chapter 1193, 18 4 section 27, and any transfers made pursuant to 2010 Iowa Acts,</p>	<p>DETAIL: Partially restores the mid-year reduction.</p> <p>General Fund supplemental appropriation to the DOC for the Sixth CBC District Department.</p> <p>DETAIL: Partially restores the mid-year reduction.</p> <p>General Fund supplemental appropriation to the DOC for the Seventh CBC District Department.</p> <p>DETAIL: Partially restores the mid-year reduction.</p> <p>General Fund supplemental appropriation to the DOC for the Eighth CBC District Department.</p> <p>DETAIL: Partially restores the mid-year reduction.</p> <p>General Fund supplemental appropriation to the Department of Inspections and Appeals for the Office of the State Public Defender.</p> <p>DETAIL: Restores the mid-year reduction and adds funds to fully staff the Offices.</p> <p>General Fund supplemental appropriation to the Department of Inspections and Appeals for the Office of the State Public Defender, Indigent Defense Fund.</p> <p>DETAIL: Restores the mid-year reduction and adds funds to meet projected expenses.</p>
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18 5 chapter 1193, section 28, to the appropriations made for the
 18 6 following designated purposes, there is appropriated from
 18 7 the general fund of the state to the department of public
 18 8 safety for the fiscal year beginning July 1, 2010, and ending
 18 9 June 30, 2011, the following amounts, or so much thereof as
 18 10 is necessary, to supplement the appropriations made for the
 18 11 following designated purposes:

18 12 1. For the department's administrative functions in 2010
 18 13 Iowa Acts, chapter 1190, section 14, subsection 1:
 18 14 \$ 275,000

General Fund supplemental appropriation to the Administration Division of the Department of Public Safety (DPS).

DETAIL: This funding offsets a portion of the mid-year reduction.

18 15 2. For the division of criminal investigation in 2010 Iowa
 18 16 Acts, chapter 1190, section 14, subsection 2:
 18 17 \$ 325,000

General Fund supplemental appropriation to the Division of Criminal Investigation of the DPS.

DETAIL: This funding offsets a portion of the mid-year reduction.

18 18 3. For the division of narcotics enforcement in 2010 Iowa
 18 19 Acts, chapter 1190, section 14, subsection 4, paragraph "a":
 18 20 \$ 225,000

General Fund supplemental appropriation to the Division of Narcotics Enforcement of the DPS.

DETAIL: This funding offsets a portion of the mid-year reduction.

18 21 4. For the division of state fire marshal in 2010 Iowa Acts,
 18 22 chapter 1190, section 14, subsection 5:
 18 23 \$ 130,000

General Fund supplemental appropriation to the State Fire Marshal's Office.

DETAIL: This funding offsets a portion of the mid-year reduction.

18 24 5. For the division of state patrol in 2010 Iowa Acts,
 18 25 chapter 1190, section 14, subsection 6:
 18 26 \$ 2,000,000

General Fund supplemental appropriation to the Iowa State Patrol.

DETAIL: This funding offsets a portion of the mid-year reduction.

18 27 Sec. 33. DEPARTMENT OF PUBLIC HEALTH. After applying the
 18 28 reductions made pursuant to 2010 Iowa Acts, chapter 1193,
 18 29 section 27, and any transfers made pursuant to 2010 Iowa Acts,
 18 30 chapter 1193, section 28, to the appropriations made for the
 18 31 following designated purposes, there is appropriated from
 18 32 the general fund of the state to the department of public
 18 33 health for the fiscal year beginning July 1, 2010, and ending
 18 34 June 30, 2011, the following amounts, or so much thereof as
 18 35 is necessary, to supplement the appropriations made for the
 19 1 following designated purposes:

19 2 1. For addictive disorders, in 2010 Iowa Acts, chapter 1192,
 19 3 section 2, subsection 1:

General Fund supplemental appropriation for FY 2011 to addictive disorders programs.

19 4 \$ 675,896

DETAIL: The supplemental funding partially restores the mid-year reduction to substance abuse treatment and prevention and tobacco programming.

19 5 2. For healthy children and families, in 2010 Iowa Acts,
19 6 chapter 1192, section 2, subsection 2:
19 7 \$ 68,192

General Fund supplemental appropriation for FY 2011 to healthy children and families programs.

DETAIL: The supplemental funding partially restores the mid-year reduction to child health programs and the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Oral Health Program.

19 8 3. For community capacity, in 2010 Iowa Acts, chapter 1192,
19 9 section 2, subsection 4:
19 10 \$ 13,275

General Fund supplemental appropriation for FY 2011 to community capacity programs.

DETAIL: The supplemental funding restores the mid-year reduction to the Iowa e-Health Initiative.

19 11 4. For healthy aging, in 2010 Iowa Acts, chapter 1192,
19 12 section 2, subsection 5:
19 13 \$ 403,500

General Fund supplemental appropriation for FY 2011 to healthy aging programs.

DETAIL: The supplemental funding partially restores the mid-year reduction to local public health nursing and home care aide services.

19 14 5. For infectious diseases, in 2010 Iowa Acts, chapter 1192,
19 15 section 2, subsection 7:
19 16 \$ 51,688

General Fund supplemental appropriation for FY 2011 to infectious diseases programs.

DETAIL: The supplemental funding restores the mid-year reduction for purchasing vaccinations for preventable diseases, prescription services for sexually transmitted diseases (STDs), and Tuberculosis.

19 17 Sec. 34. DEPARTMENT OF HUMAN SERVICES —
19 18 APPROPRIATIONS. After applying the reductions made pursuant
19 19 to 2010 Iowa Acts, chapter 1193, section 27, and any transfers
19 20 made pursuant to 2010 Iowa Acts, chapter 1193, section 28, to
19 21 the appropriations made for the following designated purposes,
19 22 there is appropriated from the general fund of the state to the
19 23 department of human services for the fiscal year beginning July
19 24 1, 2010, and ending June 30, 2011, the following amounts, or so
19 25 much thereof as is necessary, to supplement the appropriations
19 26 made for the following designated purposes:

19 27 1. For the state mental health institute at Cherokee,
19 28 in 2010 Iowa Acts, chapter 1192, section 24, subsection 1,
19 29 paragraph “a”:

General Fund supplemental appropriation for FY 2011 to the Mental Health Institute (MHI) at Cherokee.

19	30 \$ 784,607	DETAIL: The supplemental appropriation will allow all State MHIs to continue operating the current number of beds.
19	31	2. For the state mental health institute at Clarinda,	General Fund supplemental appropriation for FY 2011 to the MHI at Clarinda.
19	32	in 2010 Iowa Acts, chapter 1192, section 24, subsection 1,	
19	33	paragraph "b":	
19	34 \$ 623,793	DETAIL: The supplemental appropriation will allow all State MHI's to continue operating the current number of beds.
19	35	3. For the state mental health institute at Independence,	General Fund supplemental appropriation for FY 2011 to the MHI at Independence.
20	1	in 2010 Iowa Acts, chapter 1192, section 24, subsection 1,	
20	2	paragraph "c":	
20	3 \$ 1,235,916	DETAIL: The supplemental appropriation will allow all State MHI's to continue operating the current number of beds.
20	4	Sec. 35. 2010 Iowa Acts, chapter 1193, section 84,	CODE: Requires the unencumbered or unobligated funding appropriated to the Office of the State Debt Coordinator during FY 2011 to be used by the Department of Revenue for administrative costs associated with State tax processing.
20	5	subsection 2, is amended to read as follows:	
20	6	2. DEPARTMENT OF REVENUE	DETAIL: Senate File 2383 (FY 2011 Debt Collection Act) created the Office of the State Debt Coordinator within the Department of Revenue. House File 2531 (FY 2011 Standings Appropriation Act) appropriated \$300,000 and 3.0 FTE positions to the Office for operational costs.
20	7	For the duties of the office of the state debt coordinator	
20	8	established in 2010 Iowa Acts, Senate File 2383, if enacted,	
20	9	including salaries, support, maintenance, services,	
20	10	advertising, miscellaneous purposes, and for not more than the	
20	11	following full-time equivalent positions:	
20	12 \$ 300,000	
20	13	3.00	
20	14	<u>Beginning on the effective date of this 2011 Iowa Act, moneys</u>	
20	15	<u>appropriated in this subsection that remain unencumbered or</u>	
20	16	<u>unobligated shall be used by the department of revenue for the</u>	
20	17	<u>administrative costs associated with state tax processing.</u>	
20	18	Sec. 36. EFFECTIVE UPON ENACTMENT. This division of this	This Division is effective on enactment.
20	19	Act, being deemed of immediate importance, takes effect upon	
20	20	enactment.	
20	21	DIVISION VI	
20	22	CORRECTIVE PROVISIONS	
20	23	Sec. 37. 2010 Iowa Acts, chapter 1193, section 199, is	CODE: Makes a correction to a General Fund appropriation included in HF 2531 (FY 2011 Standing Appropriations Act) to the Department of Administrative Services for the maintenance of the Terrace Hill grounds.
20	24	amended to read as follows:	
20	25	SEC. 199.TERRACE HILL — GENERAL FUND — DEPARTMENT OF	DETAIL: The appropriation of \$263,329 was intended to be made for FY 2011; however, the final version of the Act inadvertently made the appropriation for FY 2010. Additionally, due to the lack of an immediate
20	26	ADMINISTRATIVE SERVICES. There is appropriated from the	
20	27	general fund of the state to the department of administrative	
20	28	services for the fiscal year beginning July 1, 2009 2010,	
20	29	and ending June 30, 2010 2011, the following amount, or so	

20 30 much thereof as is necessary, to be used for the purposes
 20 31 designated:
 20 32 For salaries, support, maintenance, and miscellaneous
 20 33 purposes necessary for the operation of Terrace Hill, and for
 20 34 not more than the following full-time equivalent positions:
 20 35 \$ 263,329
 21 1 FTE 6.38

effective date for the FY 2010 appropriation, the funding was nullified. This correction was detailed in a letter dated June 8, 2010, from the LSA to the Legislative Council. The Department also received an appropriation of \$168,494 for FY 2011 from the Cash Reserve Fund for Terrace Hill grounds maintenance. This represents only 39.0% of the total amount needed to fully fund the costs for FY 2011. The correction is needed to restore funding for the remainder of the fiscal year.

21 2 Sec. 38. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
 21 3 APPLICABILITY. This division of this Act, being deemed
 21 4 of immediate importance, takes effect upon enactment. The
 21 5 provision amending 2010 Iowa Acts, chapter 1193, section 199,
 21 6 applies retroactively to April 29, 2010.

This Division is effective on enactment.

21 7 DIVISION VII
 21 8 IOWA COMMUNICATIONS NETWORK

21 9 Sec. 39. IOWA COMMUNICATIONS NETWORK — AUTHORIZATION
 21 10 FOR CONTRACTS. Pursuant to section 8D.11, subsection 1,
 21 11 paragraph “a”, the general assembly authorizes the Iowa
 21 12 telecommunications and technology commission to enter
 21 13 into contracts in excess of the contract limitation amount
 21 14 established in section 8D.11, subsection 1, paragraph “c”,
 21 15 for purposes of the commission’s project associated with the
 21 16 federal grant awarded to the commission under the federal
 21 17 broadband technology opportunities program. This authorization
 21 18 applies for the duration of the commission’s project and to
 21 19 all affected contracts associated with the project and project
 21 20 funding.

Authorizes the Iowa Telecommunications and Technology Commission (ITTC) doing business as the Iowa Communication Network (ICN) to enter into contracts in excess of the current contract limitation amount for projects associated with the Federal Broadband Technology Opportunities Program (BTOP).

DETAIL: The ITTC cannot enter into contracts exceeding \$2.1 million without legislative approval. In July 2010, the ICN was awarded a BTOP grant for \$16.2 million to fund the Bridging the Digital Divide for Iowa Communities Program. Some contracts for equipment may exceed the grant amount. The project will upgrade the ICN network speed and provide symmetrical Ethernet connectivity to over 1,000 sites throughout the State. The project must be completed by June 2013.

21 21 Sec. 40. EFFECTIVE UPON ENACTMENT. This division of this
 21 22 Act, being deemed of immediate importance, takes effect upon
 21 23 enactment.

This Division is effective on enactment.

Summary Data

General Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Supp-Senate Action FY 2011 <u>(3)</u>	Est Net FY 2011 <u>(4)</u>	Bill Number <u>(5)</u>
Administration and Regulation	\$ 0	\$ 0	\$ 263,329	\$ 263,329	
Education	0	152,825,911	5,948,736	158,774,647	
Health and Human Services	63,498,486	58,474,125	3,856,867	62,330,992	
Justice System	<u>455,215,302</u>	<u>427,518,125</u>	<u>35,708,183</u>	<u>463,226,308</u>	
Grand Total	<u>\$ 518,713,788</u>	<u>\$ 638,818,161</u>	<u>\$ 45,777,115</u>	<u>\$ 684,595,276</u>	

Administration and Regulation

General Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Supp-Senate Action FY 2011 <u>(3)</u>	Est Net FY 2011 <u>(4)</u>	Bill Number <u>(5)</u>
<u>Administrative Services, Dept. of</u>					
Administrative Services					
Terrace Hill Operations	\$ 0	\$ 0	\$ 263,329	\$ 263,329	SF209
Total Administrative Services, Dept. of	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 263,329</u>	<u>\$ 263,329</u>	
Total Administration and Regulation	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 263,329</u>	<u>\$ 263,329</u>	

Education General Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Supp-Senate Action FY 2011 <u>(3)</u>	Est Net FY 2011 <u>(4)</u>	Bill Number <u>(5)</u>
<u>Education, Dept. of</u>					
Education, Dept. of					
Comm College - Northeast Iowa (I)	\$ 0	\$ 7,589,572	\$ 298,883	\$ 7,888,455	SF209
Comm College - North Iowa Area (II)	0	8,121,839	286,545	8,408,384	SF209
Comm College - Iowa Lakes (III)	0	7,478,622	257,873	7,736,495	SF209
Comm College - Northwest (IV)	0	3,672,598	128,526	3,801,124	SF209
Comm College - Iowa Central (V)	0	8,391,198	344,251	8,735,449	SF209
Comm College - Iowa Valley (VI)	0	7,152,344	251,942	7,404,286	SF209
Comm College - Hawkeye (VII)	0	10,650,184	401,298	11,051,482	SF209
Comm College - Eastern Iowa (IX)	0	13,247,344	508,961	13,756,305	SF209
Comm College - Kirkwood (X)	0	23,304,445	959,044	24,263,489	SF209
Comm College - Des Moines Area (XI)	0	23,465,054	1,016,636	24,481,690	SF209
Comm College - Western Iowa Tech (XII)	0	8,697,470	328,413	9,025,883	SF209
Comm College - Iowa Western (XIII)	0	8,938,972	355,950	9,294,922	SF209
Comm College - Southwestern (XIV)	0	3,728,128	132,279	3,860,407	SF209
Comm College - Indian Hills (XV)	0	11,686,592	409,622	12,096,214	SF209
Comm College - Southeastern (XVI)	0	6,701,549	248,098	6,949,647	SF209
Community Colleges Salaries	0	0	20,415	20,415	SF209
Total Education, Dept. of	\$ 0	\$ 152,825,911	\$ 5,948,736	\$ 158,774,647	
Total Education	\$ 0	\$ 152,825,911	\$ 5,948,736	\$ 158,774,647	

Health and Human Services General Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Supp-Senate Action FY 2011 <u>(3)</u>	Est Net FY 2011 <u>(4)</u>	Bill Number <u>(5)</u>
<u>Public Health, Dept. of</u>					
Public Health, Dept. of					
Addictive Disorders	\$ 28,414,782	\$ 26,715,157	\$ 675,896	\$ 27,391,053	SF209
Healthy Children and Families	2,353,517	2,540,218	68,192	2,608,410	SF209
Community Capacity	3,728,162	5,045,832	13,275	5,059,107	SF209
Healthy Aging	8,345,779	7,400,906	403,500	7,804,406	SF209
Infectious Diseases	1,605,967	1,380,064	51,688	1,431,752	SF209
Total Public Health, Dept. of	\$ 44,448,207	\$ 43,082,177	\$ 1,212,551	\$ 44,294,728	
<u>Human Services, Dept. of</u>					
Cherokee					
Cherokee MHI	\$ 4,892,468	\$ 2,802,494	\$ 784,607	\$ 3,587,101	SF209
Clarinda					
Clarinda MHI	\$ 5,604,601	\$ 5,393,175	\$ 623,793	\$ 6,016,968	SF209
Independence					
Independence MHI	\$ 8,553,210	\$ 7,196,279	\$ 1,235,916	\$ 8,432,195	SF209
Total Human Services, Dept. of	\$ 19,050,279	\$ 15,391,948	\$ 2,644,316	\$ 18,036,264	
Total Health and Human Services	\$ 63,498,486	\$ 58,474,125	\$ 3,856,867	\$ 62,330,992	

Justice System General Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Supp-Senate Action FY 2011 <u>(3)</u>	Est Net FY 2011 <u>(4)</u>	Bill Number <u>(5)</u>
<u>Corrections, Dept. of</u>					
CBC District 1					
CBC District I	\$ 12,028,965	\$ 11,526,745	\$ 393,353	\$ 11,920,098	SF209
CBC District 2					
CBC District II	\$ 10,294,859	\$ 9,976,036	\$ 360,912	\$ 10,336,948	SF209
CBC District 3					
CBC District III	\$ 5,363,652	\$ 5,280,086	\$ 221,793	\$ 5,501,879	SF209
CBC District 4					
CBC District IV	\$ 5,255,617	\$ 5,222,288	\$ 169,067	\$ 5,391,355	SF209
CBC District 5					
CBC District V	\$ 18,140,442	\$ 17,683,492	\$ 723,637	\$ 18,407,129	SF209
CBC District 6					
CBC District VI	\$ 12,711,127	\$ 12,249,424	\$ 460,329	\$ 12,709,753	SF209
CBC District 7					
CBC District VII	\$ 6,461,918	\$ 6,227,383	\$ 265,431	\$ 6,492,814	SF209
CBC District 8					
CBC District VIII	\$ 6,792,677	\$ 6,553,064	\$ 177,991	\$ 6,731,055	SF209
Central Office					
Corrections Administration	\$ 4,329,043	\$ 4,126,852	\$ 110,202	\$ 4,237,054	SF209
Fort Madison					
Ft. Madison Institution	\$ 37,767,271	\$ 36,533,518	\$ 1,920,083	\$ 38,453,601	SF209
Anamosa					
Anamosa Institution	\$ 28,815,684	\$ 28,270,794	\$ 1,293,060	\$ 29,563,854	SF209
Oakdale					
Oakdale Institution	\$ 55,432,247	\$ 52,614,899	\$ 2,385,141	\$ 55,000,040	SF209
Newton					
Newton Institution	\$ 25,756,235	\$ 24,599,293	\$ 1,101,460	\$ 25,700,753	SF209
Mt Pleasant					
Mt. Pleasant Inst.	\$ 24,910,544	\$ 24,191,645	\$ 1,359,865	\$ 25,551,510	SF209

Justice System General Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Supp-Senate Action FY 2011 <u>(3)</u>	Est Net FY 2011 <u>(4)</u>	Bill Number <u>(5)</u>
Rockwell City					
Rockwell City Institution	\$ 8,561,800	\$ 8,666,658	\$ 412,008	\$ 9,078,666	SF209
Clarinda					
Clarinda Institution	\$ 21,530,698	\$ 21,835,677	\$ 1,180,617	\$ 23,016,294	SF209
Mitchellville					
Mitchellville Institution	\$ 14,422,531	\$ 14,779,174	\$ 504,674	\$ 15,283,848	SF209
Fort Dodge					
Ft. Dodge Institution	\$ 27,199,132	\$ 27,148,125	\$ 1,162,060	\$ 28,310,185	SF209
Total Corrections, Dept. of	<u>\$ 325,774,442</u>	<u>\$ 317,485,153</u>	<u>\$ 14,201,683</u>	<u>\$ 331,686,836</u>	
<u>Inspections & Appeals, Dept. of</u>					
Public Defender					
Indigent Defense Appropriation	\$ 32,508,247	\$ 15,680,929	\$ 16,000,000	\$ 31,680,929	SF209
Public Defender	19,568,864	21,531,682	2,551,500	24,083,182	SF209
Total Inspections & Appeals, Dept. of	<u>\$ 52,077,111</u>	<u>\$ 37,212,611</u>	<u>\$ 18,551,500</u>	<u>\$ 55,764,111</u>	
<u>Public Safety, Department of</u>					
Public Safety, Dept. of					
Public Safety Administration	\$ 3,952,071	\$ 3,732,075	\$ 275,000	\$ 4,007,075	SF209
Public Safety DCI	19,012,743	12,208,931	325,000	12,533,931	SF209
Narcotics Enforcement	5,747,647	6,204,884	225,000	6,429,884	SF209
DPS Fire Marshal	3,590,003	4,168,707	130,000	4,298,707	SF209
Iowa State Patrol	45,061,285	46,505,764	2,000,000	48,505,764	SF209
Total Public Safety, Department of	<u>\$ 77,363,749</u>	<u>\$ 72,820,361</u>	<u>\$ 2,955,000</u>	<u>\$ 75,775,361</u>	
Total Justice System	<u>\$ 455,215,302</u>	<u>\$ 427,518,125</u>	<u>\$ 35,708,183</u>	<u>\$ 463,226,308</u>	

Administration and Regulation

FTE

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Supp-Senate Action FY 2011 <u>(3)</u>	Est Net FY 2011 <u>(4)</u>	Bill Number <u>(5)</u>
<u>Administrative Services, Dept. of</u>					
Administrative Services					
Terrace Hill Operations	0.00	0.00	6.38	6.38	SF209
Total Administrative Services, Dept. of	<u>0.00</u>	<u>0.00</u>	<u>6.38</u>	<u>6.38</u>	
Total Administration and Regulation	<u>0.00</u>	<u>0.00</u>	<u>6.38</u>	<u>6.38</u>	