SENATE FILE 1278

By MURRAY, NYSTROM, ANDERSEN, MILLER of Des Moines, BRILES, HULTMAN, TAYLOR, SCHWENGELS, HEYING, TIEDEN, WILLITS, BERGMAN, GRIFFIN, JUNKINS, VAN GILST, RILEY, HANSEN, SCHABEN, KENNEDY, PRIEBE, RODGERS, KINLEY, SCOTT and MILLIGAN (West, Hansen, Mendenhall, Doyle, McCormick, Bortell, Anderson, Butler, Crabb, De Jong, Junker, Norpel, Middleswart, Jesse, Connors, Carr, Drake, Welden, Rapp, Ferguson, Lippold, Logue, Newhard, Lipsky, Husak, Strothman and Menke)

Senate File 1278
Ways and Means
Curtis, Chairman
Orr
Schwengels

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Ways and Means 3/8

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

An Act relating to the computation of net income for tax purposes by the subtraction or addition of amounts contributed or received under the Iowa public employees' retirement system.

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

Section 1. Section four hundred twenty-two point seven (422.7), Code 1973, is amended by adding the following new subsections:

NEW SUBSECTION. Subtract the amount deducted by an employer from the taxpayer's wages during the tax year for purposes of contribution to the Iowa public employees' retirement system, as provided in section ninety-seven B point eleven (97B.11) of the Code.

NEW SUBSECTION. Add the amount received by the taxpayer during the tax year as retirement allowances, death benefits, or refunds of contributions, under chapter ninety-seven B (97B) of the Code, to the extent that the amount has previously been subtracted from the net income of an employee under this section, and is otherwise not included in the taxpayer's adjusted gross income as properly computed for federal income tax purposes.

Sec. 2. Section ninety-seven B point thirteen (97B.13), Code 1973, is repealed.

EXPLANATION

This bill provides that amounts deducted from an employee's wages for contributions to IPERS may be deducted in computing net income for Iowa income tax purposes, but must be added back into the income of a person receiving benefits or refunds under IPERS to the extent that an employee has previously received a deduction.

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