

Approved 4/19 (p. 129-3)
then House Means 4/20 & Pass 4/22 (p. 1695)

FILED APR 19 1982

SENATE FILE 2305

BY COMMITTEE ON WAYS
AND MEANS

Passed Senate, Date 4-20-82 (p. 1300) Passed House, Date 4-22-81 (p. 1681)

Vote: Ayes 48 Nays 0 Vote: Ayes 97 Nays 0

Approved May 21, 1982

*Approved Senate as amended by House
4-23-82 (p. 1395)
43-0*

A BILL FOR

1 An Act to allow a state individual income tax deduction to a
2 taxpayer for expenses incurred for caring for a grandchild,
3 child, parent, or grandparent of the taxpayer or the tax-
4 payer's spouse in the home of the taxpayer with a January 1
5 effective date.

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

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2.

SENATE FILE 2305

H-5945

1 Amend Senate File 2305, as follows:
2 1. Page 1, line 12, by inserting after the
3 figure "249A.", the following: "In the event that
4 the person being cared for is receiving assistance
5 benefits under chapter 239, the expenses not
6 otherwise deductible shall be the net difference
7 between the expenses actually incurred in caring
8 for the person and the assistance benefits
9 received under chapter 239."

H-5945 FILED APRIL 22, 1982 BY BRUNER of Story
ADOPTED (p. 1681)

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1 Section 1. Section 422.9, subsection 2, Code 1981, is
 2 amended by adding the following new lettered paragraph:
 3 NEW LETTERED PARAGRAPH. Add the amount, not to exceed
 4 five thousand dollars, of expenses not otherwise deductible
 5 under this section actually incurred in the home of the
 6 taxpayer for the care of a person who is the grandchild,
 7 child, parent, or grandparent of the taxpayer or the taxpayer's
 8 spouse and who is unable, by reason of physical or mental
 9 disability, to live independently and is receiving, or would
 10 be eligible to receive if living in a health care facility
 11 licensed under chapter 135C, medical assistance benefits under
 12 chapter 249A.

13 Sec. 2. This Act takes effect January 1 following enactment
 14 for tax years beginning on or after that date.

15 EXPLANATION

16 The bill allows a deduction to a taxpayer for expense
 17 incurred for the care of a grandchild, child, parent or
 18 grandparent of the taxpayer or the taxpayer's spouse in the
 19 home of the taxpayer where the grandchild, child, parent,
 20 or grandparent is unable by reason of physical or mental
 21 disability to live independently and is receiving or eligible
 22 to receive certain public assistance. The bill takes effect
 23 January 1 following enactment for tax years beginning on or
 24 after that date.

HOUSE AMENDMENT TO SENATE FILE 2305

S-5761

1 Amend Senate File 2305, as follows:
 2 1. Page 1, line 12, by inserting after the figure
 3 "249A.", the following: "In the event that the person
 4 being cared for is receiving assistance benefits under
 5 chapter 239, the expenses not otherwise deductible
 6 shall be the net difference between the expenses
 7 actually incurred in caring for the person and the
 8 assistance benefits received under chapter 239."

S-5761 FILED
 APRIL 23, 1982

RECEIVED FROM THE HOUSE
Senate concurred 4/23 (p 1345)

STATE OF IOWA
F I S C A L N O T ERequest No. 82-366

In compliance with a written request received April 20, 19 82, there is hereby submitted a Fiscal Note for S.F. 2305 pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature, upon request.

S.F. 2305, An Act to allow a state individual income tax deduction to a taxpayer for expenses incurred for caring for a grandchild, child, parent, or grandparent of the taxpayer or the taxpayer's spouse in the home of the taxpayer with a January 1 effective date.

The bill allows a deduction not to exceed \$5,000 to a taxpayer for expenses incurred for the care of a grandchild, child, parent or grandparent of the taxpayer or the taxpayer's spouse from the state individual income tax return of that taxpayer. The grandchild, child, parent, or grandparent must be cared for in the home of the taxpayer and additionally must be unable by reason of physical or mental disability to live independently. The grandchild, child, parent, or grandparent must be receiving or be eligible to receive certain public assistance.

The bill takes effect January 1 following enactment for tax years beginning on or after that date.

The impact of the bill would be a reduction in the state income tax receipts. However, the amount of deduction which would be claimed and the average marginal rate at which the deduction would otherwise be taxable cannot be projected. As a result, a specific estimate of S.F. 2305 cannot be provided.

SOURCE: Department of Revenue

FILED APRIL 21, 1982

BY GERRY RANKIN, Legislative Fiscal Director

Sec. 2. This Act takes effect January 1 following enactment for tax years beginning on or after that date.

SENATE FILE 2305

AN ACT

TO ALLOW A STATE INDIVIDUAL INCOME TAX DEDUCTION TO A TAX-PAYER FOR EXPENSES INCURRED FOR CARING FOR A GRANDCHILD, CHILD, PARENT, OR GRANDPARENT OF THE TAXPAYER OR THE TAXPAYER'S SPOUSE IN THE HOME OF THE TAXPAYER WITH A JANUARY 1 EFFECTIVE DATE.

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

Section 1. Section 422.9, subsection 2, Code 1981, is amended by adding the following new lettered paragraph:
NEW LETTERED PARAGRAPH. Add the amount, not to exceed five thousand dollars, of expenses not otherwise deductible under this section actually incurred in the home of the taxpayer for the care of a person who is the grandchild, child, parent, or grandparent of the taxpayer or the taxpayer's spouse and who is unable, by reason of physical or mental disability, to live independently and is receiving, or would be eligible to receive if living in a health care facility licensed under chapter 135C, medical assistance benefits under chapter 249A. In the event that the person being cared for is receiving assistance benefits under chapter 239, the expenses not otherwise deductible shall be the net difference between the expenses actually incurred in caring for the person and the assistance benefits received under chapter 239.

TERRY E. BRANSTAD
President of the Senate

DELWYN STROMER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2305, Sixty-ninth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 21, 1982

ROBERT D. RAY
Governor

S.F. 2305