

Horn, Chair  
Anderson  
Gracias

FILED FEB 7 1984

SENATE FILE 2146

BY HORN

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

### A BILL FOR

1 An Act relating to a credit on individual income tax liability  
2 for school tuition, textbooks, and transportation and  
3 providing an effective date.

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

5 SENATE FILE 2146  
6 FISCAL NOTE

7 REQUESTED BY SENATOR HORN

8 In compliance with a written request there is hereby submitted a  
9 Fiscal Note for Senate File 2146 pursuant to Joint Rule 17.

10 Senate File 2146 grants an individual a tax credit on the person's  
11 individual state income tax liability for school tuition, text-  
12 books, and transportation for each dependent enrolled in the state  
13 in an approved elementary or secondary school, a state or private  
14 college or university, or an area school. The amount of the  
15 credit is \$100 for the 1985 tax year, \$200 for the 1986 tax year,  
16 and \$300 for tax years beginning on or after January 1, 1986.

17 To receive the full credit, a dependent has to be enrolled for  
18 nine months of school during the tax year. If enrollment was  
19 less, then the credit is one-ninth of the full credit for each  
20 full month of enrollment. Enrollment for at least fifteen days in  
21 a month will constitute enrollment for a full month. The credit  
22 can be carried forward to succeeding years if it is in excess of  
23 the tax liability. Married taxpayers who do not file jointly must  
24 allocate the credit based on their relative incomes.

25 The bill takes effect January 1, 1985 for tax years beginning on  
or after January 1, 1985.

FISCAL IMPACT: This proposal would decrease the individual income  
tax receipts; however, the dollar amount of the loss cannot be  
estimated.

(3407S, 84-078C, CMG)

Source: Department of Revenue

RECEIVED BY THE SECRETARY OF THE SENATE, FEBRUARY 29, 1984

FILED:  
MARCH 2, 1984

BY DENNIS C. PROUTY, DIRECTOR  
LEGISLATIVE FISCAL BUREAU

S. 2146

1 Section 1. Section 422.12, Code Supplement 1983, is amended  
2 by adding the following new subsection:

3 NEW SUBSECTION. A school tuition, textbooks, and transpor-  
4 tation credit equal to one hundred dollars for each dependent  
5 who was enrolled during the tax year in an approved elementary  
6 or secondary school, an institution of higher learning under  
7 the board of regents, an accredited private institution as  
8 defined in section 261.9, subsection 5, or an area school  
9 situated in the state. To qualify for the full credit the  
10 dependent must have been enrolled in one or more of these  
11 schools for at least nine months during the tax year. If  
12 the dependent was enrolled for less than nine months, the  
13 amount of credit is equal to one-ninth of the full credit  
14 for each full month the dependent was enrolled. Enrollment  
15 for at least fifteen days in a month constitutes enrollment  
16 for the full month. This credit shall be deducted after the  
17 deduction of credits under sections 422.10 and 422.11 and  
18 other credits under this section. If the deduction of this  
19 credit exceeds the tax liability remaining after the deduction  
20 of the other credits, the excess may be credited to the tax  
21 liability for succeeding years until it is used up.

22 Married taxpayers electing to file separate returns or  
23 filing separately on a combined return must allocate the  
24 school tuition, textbooks, and transportation credit to each  
25 spouse in the proportion that each spouse's respective net  
26 income bears to the total combined net income.

27 The school tuition, textbooks, and transportation credit  
28 is equal to two hundred dollars for tax years beginning in  
29 the 1986 calendar year and is equal to three hundred dollars  
30 for tax years beginning on or after January 1, 1987.

31 Sec. 2. This bill takes effect January 1, 1985 for tax  
32 years beginning on or after January 1, 1985.

33 EXPLANATION

34 The bill grants an individual a tax credit on the person's  
35 individual state income tax liability for school tuition,

1 textbooks, and transportation for each dependent who was  
2 enrolled in the state in an approved elementary or secondary  
3 school, a state or private college or university, or an area  
4 school. The amount of the credit is \$100 for the 1985 tax  
5 year, \$200 for the 1986 tax year, and \$300 for tax years  
6 beginning on or after January 1, 1986. To receive the full  
7 credit, a dependent had to be enrolled for nine months of  
8 school during the tax year. If enrollment was less, then  
9 the credit is one-ninth of the full credit for each full  
10 month. Enrollment for at least fifteen days in a month will  
11 constitute enrollment for a full month. The credit can be  
12 carried forward to succeeding years if it is in excess of  
13 the tax liability. Married taxpayers who do not file jointly  
14 must allocate the credit based on their relative incomes.

15 The bill takes effect January 1, 1985 for tax years begin-  
16 ning on or after January 1, 1985.

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