

WAYS AND MEANS: Bruner, Chair: Dieleman and Hester

FILED JAN 30 1985

SENATE FILE 2095
BY DIELEMAN

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the computation of items of tax preference for
2 purposes of the Iowa minimum tax for a tax year beginning in
3 the 1983 calendar year and making the Act retroactive.

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

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S.F. 2095

1 Section 1. In computing the items of tax preference for
2 purposes of the Iowa minimum tax for a tax year beginning in
3 the 1983 calendar year, the gain or loss from the forfeiture
4 of an installment real estate contract, the transfer of
5 property to a creditor in cancellation of a debt, or the sale
6 or exchange of property as a result of actual notice of
7 foreclosure shall not be taken into account in computing net
8 capital gain if, immediately before the forfeiture, transfer,
9 or sale or exchange, the taxpayer's liabilities exceed the
10 fair market value of the taxpayer's assets and the taxpayer's
11 net worth at the end of the tax year is less than one hundred
12 thousand dollars. For purposes of this section, actual notice
13 of foreclosure includes, but is not limited to, bankruptcy or
14 written notice from a creditor of the creditor's intent to
15 foreclose where there is reasonable belief that the creditor
16 can force a sale of the property. In computing the Iowa
17 minimum tax for a tax year beginning in the 1983 calendar
18 year, the Iowa minimum tax of a taxpayer whose items of tax
19 preference include the gain or loss from the forfeiture of an
20 installment real estate contract, the transfer of property to
21 a creditor in cancellation of a debt, or the sale or exchange
22 of property as a result of actual notice of foreclosure where
23 the fair market value of the taxpayer's assets exceeds the
24 taxpayer's liabilities immediately before the forfeiture,
25 transfer, or sale or exchange shall not be greater than such
26 excess. A taxpayer who has filed a state return for such tax
27 year may file an amended state return for such tax year with
28 the state minimum tax calculated on the basis of what the
29 federal minimum tax would have been if such items had not been
30 included in the federal minimum tax calculation of net capital
31 gain or with the state minimum tax calculated on the basis of
32 such limitation on the amount of state minimum tax. A
33 taxpayer who has filed a state return for such tax year and
34 wishes to file an amended state return for such tax year as a
35 result of this Act has until July 1, 1987 to file such amended

