

FILED MAR 24 1988

SENATE FILE 2320
BY COMMITTEE ON WAYS AND MEANS

(formerly ^{4/1/88} 55B 2266)

Passed Senate, Date 4/1/88 Passed House, Date _____

Vote: Ayes 41 Nays 3 Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the exclusion of a certain portion of United
2 States central intelligence agency retirement and disability
3 benefits for state income tax purposes and providing
4 retroactive applicability and effective dates.

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

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SF 2320

1 Section 1. Section 422.5, subsection 6, Code Supplement
2 1987, is amended to read as follows:

3 6. A person who is disabled, is sixty-two years of age or
4 older or is the surviving spouse of an individual or survivor
5 having an insurable interest in an individual who would have
6 qualified for the exemption under this paragraph for this tax
7 year and receives one or more annuities from the United States
8 civil service retirement and disability trust fund or from the
9 United States central intelligence agency retirement and
10 disability fund, and whose net income, as defined in section
11 422.7, is sufficient to require that the tax be imposed upon
12 it under this section, may determine final taxable income for
13 purposes of imposition of the tax by excluding the amount of
14 annuities received from the United States civil service
15 retirement and disability trust fund and from the United
16 States central intelligence agency retirement and disability
17 fund, which are not already excluded in determining net
18 income, as defined in section 422.7, up to a combined maximum
19 for each tax year of five thousand five hundred dollars for a
20 person who files a separate state income tax return and eight
21 thousand dollars total for a husband and wife who file a joint
22 state income tax return. However, a surviving spouse who is
23 not disabled or sixty-two years of age or older can only
24 exclude the amount of annuities received as a result of the
25 death of the other spouse. The amount of the exemption shall
26 be reduced by the amount of any social security benefits
27 received. For the purpose of this section, the amount of
28 annuities received from the United States civil service
29 retirement and disability trust fund and from the United
30 States central intelligence agency retirement and disability
31 fund taxable under the Internal Revenue Code of 1954 shall be
32 included in net income for purposes of determining eligibility
33 under the five thousand dollar or less exclusion.

34 Sec. 2. This Act is retroactive to January 1, 1988, for
35 tax years beginning on or after that date.

SSB 2266
WAYS + MEANS
LSB
Law

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BY (PROPOSED COMMITTEE ON WAYS
AND MEANS BILL)

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