

FILED JAN 17 1969

SENATE FILE 2119
BY JENSEN, LIND, and TINSMAN

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

A BILL FOR

1 An Act relating to the taxation of pensions, annuities, and
2 retirement allowances received for the purposes of state
3 individual income tax and providing a retroactive
4 applicability date.

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

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SC 2119

1 Section 1. Section 422.7, subsection 18, Code Supplement
2 1989, is amended to read as follows:

3 18. For a person who is disabled, is fifty-five years of
4 age or older or is the surviving spouse of an individual or
5 survivor having an insurable interest in an individual who
6 would have qualified for the exemption under this paragraph
7 for this tax year, subtract, to the extent included, the total
8 amount of ~~pension, annuity, or retirement allowances received~~
9 ~~under the peace officers' retirement system under chapter 97A,~~
10 ~~the Iowa public employees' retirement system under chapter~~
11 ~~97B, the Iowa police officers and firefighters retirement~~
12 ~~system under chapter 411, the judicial retirement system under~~
13 ~~chapter 602, article 9, and any federal retirement and~~
14 ~~disability system, as a result of being an officer or employee~~
15 ~~of the federal government,~~ a governmental or other pension,
16 retirement pay, annuity, or other similar periodic payment
17 made under a plan maintained or contributed to by a base
18 period or chargeable employer up to a maximum each tax year of
19 two thousand five hundred dollars for a person who files a
20 separate state income tax return and five thousand dollars for
21 a husband and wife who file a joint state income tax return.
22 However, a surviving spouse who is not disabled or ~~sixty-two~~
23 fifty-five years of age or older can only exclude the amount
24 of annuities received as a result of the death of the other
25 spouse.

26 Sec. 2.

27 This Act applies retroactively to January 1, 1990, for tax
28 years beginning on or after that date.

29 EXPLANATION

30 This bill allows a deduction for all types of pension
31 income in computing income for tax purposes. The law for tax
32 years beginning on or after January 1, 1989, allows a
33 deduction of pension income of \$2,500 for a person who files a
34 separate return and \$5,000 for a husband and wife who file a
35 joint return and applies only to state and federal public

1 pensions. This bill would allow those deductions for both
2 private and public pensions.

3 The bill applies retroactively to January 1, 1990, for tax
4 years beginning on or after that date.

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