

Approp. H. Pass 3/25 (p. 846)
Way-Means H. Pass 4/2 (1001)

Reprinted

FILED MAR 04 1991

SENATE FILE **278**
BY DIELEMAN

Passed Senate, Date 4/9/91 (p. 1141) Passed House, Date _____
Vote: Ayes 45 Nays 4 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the salaries paid to chaplains employed in
2 state institutions and providing a retroactive applicability
3 date.

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

SENATE FILE 278

S-3278

1 Amend Senate File 278 as follows:

- 2 1. Page 1, line 4, by striking the word "is" and
- 3 inserting the following: "may be".
- 4 2. Page 1, line 10, by inserting after the figure
- 5 "422.3." the following: "However, the chaplain may
- 6 elect not to consider the amount a rental allowance
- 7 but as the chaplain's salary. If the chaplain elects
- 8 to treat such amount as salary, the chaplain is not
- 9 entitled to a deduction under section 107 of the
- 10 Internal Revenue Code for state individual income tax
- 11 purposes. The election shall be made at the beginning
- 12 of the chaplain's tax year on a form approved by the
- 13 department of revenue and finance and shall be
- 14 submitted to that department by the end of the first
- 15 month of the chaplain's tax year."

By MIKE CONNOLLY

S-3278 FILED APRIL 3, 1991

Adopted 4/9/91 (p. 1141)

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1 Section 1. NEW SECTION. 79.38 CHAPLAIN SALARY.

32782 If a chaplain who is employed full-time in a state
3 institution is not furnished a residence by the state, up to
4 thirty-five percent of the salary paid to the chaplain is
5 deemed to be a rental allowance paid to the chaplain in lieu
6 of furnishing a residence. The superintendent of the
7 institution to which the chaplain is assigned shall designate
8 the amount to be considered a rental allowance each year for
9 purposes of section 107 of the Internal Revenue Code, as
10 defined in section 422.3.

11 Sec. 2. This Act applies retroactively to January 1, 1991,
12 for tax years beginning on or after that date.

13 EXPLANATION

14 This bill relates to the salaries paid to chaplains
15 employed in state institutions. If a chaplain employed in a
16 state institution is not furnished a residence by the state,
17 up to 35 percent of the chaplain's salary is deemed under this
18 bill to be a rental allowance paid to the chaplain in lieu of
19 the furnishing of a residence. The superintendent of the
20 state institution shall annually designate the amount of the
21 rental allowance for purposes of the exclusion of that amount
22 from federal and state taxation.

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**SENATE FILE 278
FISCAL NOTE**

A fiscal note for Senate File 278 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 278 would allow chaplains who are employed full-time in a state institution but who are not furnished a residence by the state, an income exclusion of up to 35% of their salaries. The superintendent of the institution to which a chaplain is assigned would then be required to designate the amount to be considered a rental allowance each year. This amount could then be treated as a rental allowance and thus could be excluded from state and federal gross income. The bill applies retroactively to tax years beginning on or after January 1, 1991.

Fiscal Effect

According to the Department of Revenue and Finance, there are only 9 chaplains employed at State institutions. Therefore, the bill would result in a minimal reduction in income tax receipts.

Source: Department of Revenue and Finance

(LSB 2259ss, PDU)

FILED APRIL 2, 1991

BY DENNIS PROUTY, FISCAL DIRECTOR

1 Section 1. NEW SECTION. 79.38 CHAPLAIN SALARY.

2 If a chaplain who is employed full-time in a state
3 institution is not furnished a residence by the state, up to
4 thirty-five percent of the salary paid to the chaplain may be
5 deemed to be a rental allowance paid to the chaplain in lieu
6 of furnishing a residence. The superintendent of the
7 institution to which the chaplain is assigned shall designate
8 the amount to be considered a rental allowance each year for
9 purposes of section 107 of the Internal Revenue Code, as
10 defined in section 422.3. However, the chaplain may elect not
11 to consider the amount a rental allowance but as the
12 chaplain's salary. If the chaplain elects to treat such
13 amount as salary, the chaplain is not entitled to a deduction
14 under section 107 of the Internal Revenue Code for state
15 individual income tax purposes. The election shall be made at
16 the beginning of the chaplain's tax year on a form approved by
17 the department of revenue and finance and shall be submitted
18 to that department by the end of the first month of the
19 chaplain's tax year.

20 Sec. 2. This Act applies retroactively to January 1, 1991,
21 for tax years beginning on or after that date.

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