

FILED FEB 16 1998

WAYS & MEANS

SENATE FILE 2223

BY DVORSKY, BLACK of Jasper,  
CONNOLLY, DEARDEN, DELUHERY,  
FINK, FLYNN, FRAISE, GETTINGS,  
GRONSTAL, HALVORSON, HAMMOND,  
HANSEN, HORN, JUDGE, KIBBIE,  
MCCOY, NEUHAUSER, PALMER,  
SZYMONIAK, VILSACK, and HARPER

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

A BILL FOR

1 An Act increasing the amount of the child and dependent care  
2 credit and including a retroactive applicability date  
3 provision.

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

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S.F. 2223

1 Section 1. Section 422.12C, subsection 1, paragraphs a  
2 through f, Code Supplement 1997, are amended to read as  
3 follows:

4 a. For a taxpayer with net income of less than ten  
5 thousand dollars, ~~seventy-five~~ one hundred percent.

6 b. For a taxpayer with net income of ten thousand dollars  
7 or more but less than twenty thousand dollars, ~~sixty-five~~  
8 eighty percent.

9 c. For a taxpayer with net income of twenty thousand  
10 dollars or more but less than twenty-five thousand dollars,  
11 ~~fifty-five~~ seventy-five percent.

12 d. For a taxpayer with net income of twenty-five thousand  
13 dollars or more but less than thirty-five thousand dollars,  
14 ~~fifty~~ sixty percent.

15 e. For a taxpayer with net income of thirty-five thousand  
16 dollars or more but less than forty thousand dollars, ~~forty~~  
17 fifty percent.

18 f. For a taxpayer with net income of forty thousand  
19 dollars or more, ~~zero~~ but less than fifty thousand dollars,  
20 twenty percent.

21 g. For a taxpayer with net income of fifty thousand  
22 dollars or more, zero percent.

23 Sec. 2. This Act applies retroactively to January 1, 1998,  
24 for tax years beginning on or after that date.

25 EXPLANATION

26 Present law allows under the state individual income tax a  
27 child and dependent care credit equal to a certain percentage  
28 of the federal credit. The credit ranges from 75 percent of  
29 the federal credit for a taxpayer with a net income of less  
30 than \$10,000 to zero percent for a taxpayer with a net income  
31 of \$40,000 or more. The bill alters the range of rates to  
32 provide a credit of 100 percent of the federal credit for a  
33 taxpayer with a net income of less than \$10,000 to a credit of  
34 zero percent for a taxpayer with a net income of \$50,000 or  
35 more.

1 The bill applies retroactively to January 1, 1998, for tax  
2 years beginning on or after that date.

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