

# House Amendment 8645

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1 1 Amend House File 2581 as follows:  
1 2 #1. Page 14, lines 16 and 17, by striking the  
1 3 words and figures <and as amended by Pub. L. No. 108=  
1 4 27, section 202.>.

1 5 #2. Page 14, by inserting after line 17 the  
1 6 following:

1 7     . Section 422.7, Code Supplement 2003, is  
1 8 amended by adding the following new subsection:

1 9 NEW SUBSECTION. 38A. a. The increase in the  
1 10 expensing allowance authorized in section 179(b) of  
1 11 the Internal Revenue Code, as amended by Pub. L. No.  
1 12 108=27, section 202, does not apply in computing net  
1 13 income for state tax purposes. If the taxpayer has  
1 14 taken such allowance in computing taxable income, the  
1 15 following adjustments shall be made:

1 16 (1) Add the total amount of expensing allowance  
1 17 taken on all property under section 179(b) of the  
1 18 Internal Revenue Code for the tax year.

1 19 (2) Subtract an amount equal to the amount of  
1 20 expensing allowance that would be allowed for property  
1 21 that qualified for the expensing allowance under  
1 22 section 179(b) prior to enactment of Pub. L. No. 108=  
1 23 27, section 202.

1 24 (3) Any other adjustments to gains or losses to  
1 25 reflect the adjustments made in subparagraphs (1) and  
1 26 (2) pursuant to rules adopted by the director.

1 27 b. The increase in the expensing allowance  
1 28 authorized in section 179(b) of the Internal Revenue  
1 29 Code, as amended by Pub. L. No. 108=27, shall apply in  
1 30 computing net income for state tax purposes, but only  
1 31 for qualified property acquired after the effective  
1 32 date of this division of this Act, and before January  
1 33 1, 2006. For property acquired on or before the  
1 34 effective date of this division of this Act, if the  
1 35 taxpayer has taken the increased deduction allowed in  
1 36 section 179(b), as amended by Pub. L. No. 108=27, in  
1 37 computing federal adjusted gross income, the  
1 38 adjustments in paragraph "a" shall be made.>

1 39 #3. Page 15, line 6, by inserting after the word  
1 40 <purposes.> the following: <but only>.

1 41 #4. Page 15, line 7, by striking the word and  
1 42 figures <May 5, 2003> and inserting the following:  
1 43 <the effective date of this division of this Act>.

1 44 #5. Page 15, by inserting after line 7, the  
1 45 following: <For property acquired after May 5, 2003,  
1 46 and on or before the effective date of this division  
1 47 of this Act, if the taxpayer has taken the deduction  
1 48 allowed in section 168(k)(4), as enacted by Pub. L.  
1 49 No. 108=27, in computing federal adjusted gross  
1 50 income, the adjustments in paragraph "a" shall be  
2 1 made.>

2 2 #6. Page 15, lines 14 and 15, by striking the  
2 3 words and figures <and as amended by Pub. L. No. 108=  
2 4 27, section 202.>.

2 5 #7. Page 15, by inserting after line 15 the  
2 6 following:

2 7     . Section 422.35, Code Supplement 2003,  
2 8 is amended by adding the following new subsection:

2 9 NEW SUBSECTION. 18A. a. The increase in the  
2 10 expensing allowance authorized in section 179(b) of  
2 11 the Internal Revenue Code, as amended by Pub. L. No.  
2 12 108=27, section 202, does not apply in computing net  
2 13 income for state tax purposes. If the taxpayer has  
2 14 taken such allowance in computing taxable income, the  
2 15 following adjustments shall be made:

2 16 (1) Add the total amount of expensing allowance  
2 17 taken on all property under section 179(b) of the  
2 18 Internal Revenue Code for the tax year.

2 19 (2) Subtract an amount equal to the amount of  
2 20 expensing allowance that would be allowed for property  
2 21 that qualified for the expensing allowance under  
2 22 section 179(b) prior to enactment of Pub. L. No. 108=  
2 23 27, section 202.

2 24 (3) Any other adjustments to gains or losses to

2 25 reflect the adjustments made in subparagraphs (1) and  
2 26 (2) pursuant to rules adopted by the director.  
2 27 b. The increase in the expensing allowance  
2 28 authorized in section 179(b) of the Internal Revenue  
2 29 Code, as amended by Pub. L. No. 108=27, shall apply in  
2 30 computing net income for state tax purposes, but only  
2 31 for qualified property acquired after the effective  
2 32 date of this division of this Act, and before January  
2 33 1, 2006. For property acquired on or before the  
2 34 effective date of this division of this Act, if the  
2 35 taxpayer has taken the deduction allowed in section  
2 36 179(b), as amended by Pub. L. No. 108=27, in computing  
2 37 federal adjusted gross income, the adjustments in  
2 38 paragraph "a" shall be made.>

2 39 #8. Page 16, line 4, by inserting after the word  
2 40 <purposes.> the following: <but only>.

2 41 #9. Page 16, line 5, by striking the word and  
2 42 figures <May 5, 2003> and inserting the following:  
2 43 <the effective date of this division of this Act>.

2 44 #10. Page 16, by inserting after line 5, the  
2 45 following: <For property acquired after May 5, 2003,  
2 46 and on or before the effective date of this division  
2 47 of this Act, if the taxpayer has taken the deduction  
2 48 allowed in section 168(k)(4), as enacted by Pub. L.  
2 49 No. 108=27, in computing federal adjusted gross  
2 50 income, the adjustments in paragraph "a" shall be  
3 1 made.>

3 2 #11. Page 16, line 10, by striking the word  
3 3 and inserting the following: .

3 4 #12. Page 16, by striking line 11 and inserting  
3 5 the following: 3 6 422.35, subsection 18A, apply>.

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3 11 HF 2581.205 80  
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