

Senate Amendment 3134

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1 1 Amend Senate File 434 as follows:
1 2 #1. Page 1, by inserting before line 1 the
1 3 following:
1 4 1 5 a, Code 2003, is amended by adding the following new
1 6 subparagraph:

1 7 NEW SUBPARAGRAPH. (4) Attendance of the
1 8 designated beneficiary at the United States military
1 9 academy, the United States naval academy, the United
1 10 States air force academy, the United States coast
1 11 guard academy, or the United States merchant marine
1 12 academy, to the extent that the amount of the payment
1 13 or distribution does not exceed the costs of advanced
1 14 education, as defined by 10 U.S.C. } 2005(e)(3), as in
1 15 effect on the date of the enactment of this
1 16 subparagraph, attributable to such attendance.

1 17 Sec. 2. Section 12D.9, subsection 1, paragraph f,
1 18 Code 2003, is amended to read as follows:

1 19 f. Pursuant to section 12D.5, subsection 1,
1 20 penalties are provided on refunds of earnings which
1 21 are not used for qualified higher education expenses
1 22 of the beneficiary, made on account of the death or
1 23 disability of the designated beneficiary, ~~or~~ made due
1 24 to scholarship, allowance, or payment receipt as
1 25 provided in section 529(b)(3) of the Internal Revenue
1 26 Code, or made in the amount of the costs for
1 27 attendance at the United States military, naval, air
1 28 force, coast guard, or merchant marine academy.>

1 29 #2. Page 1, line 1, by striking the word and
1 30 figure and inserting the following:

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1 32 #3. Page 1, line 2, by striking the word
1 33 and inserting the following:

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1 35 #4. Page 1, by inserting after line 7 the
1 36 following:

1 37 <NEW SUBSECTION. 40. Subtract, not to exceed one
1 38 thousand five hundred dollars, the overnight
1 39 transportation, meals, and lodging expenses, to the
1 40 extent not reimbursed, incurred by the taxpayer for
1 41 travel away from home of more than one hundred miles
1 42 for the performance of services by the taxpayer as a
1 43 member of the national guard or armed forces military
1 44 reserve.

1 45 NEW SUBSECTION. 41. Subtract, to the extent
1 46 included, military student loan repayments received by
1 47 the taxpayer serving on active duty in the national
1 48 guard or armed forces military reserve or on active
1 49 duty status in the armed forces.

1 50 Sec. 4. Section 422.7, Code 2003, is amended by
2 1 adding the following new subsection:

2 2 NEW SUBSECTION. 42. Subtract, to the extent not
2 3 otherwise excluded, the amount of the death gratuity
2 4 payable under 10 U.S.C. }} 1475=1491 for deaths
2 5 occurring after September 10, 1991.

2 6 Sec. 5. Section 422.9, subsection 2, Code 2003, is
2 7 amended by adding the following new paragraph:

2 8 NEW PARAGRAPH. j. If the taxpayer has a deduction
2 9 for miscellaneous expenses under section 67 of the
2 10 Internal Revenue Code, the taxpayer shall recompute
2 11 for the purposes of this subsection the amount of the
2 12 deduction under section 67 by excluding from the
2 13 expenses, the amount subtracted under section 422.7,
2 14 subsection 40.

2 15 Sec. 6. Section 422.21, unnumbered paragraph 2,
2 16 Code 2003, is amended to read as follows:

2 17 An individual in the armed forces of the United
2 18 States serving in an area designated by the president
2 19 of the United States or the United States Congress as
2 20 a combat zone or as a qualified hazardous duty area,
2 21 or deployed outside the United States away from the
2 22 individual's permanent duty station while
2 23 participating in an operation designated by the United
2 24 States secretary of defense as a contingency operation
2 25 as defined in 10 U.S.C. } 101(a)(13), or which became

2 26 such a contingency operation by the operation of law,
2 27 or an individual serving in support of those forces,
2 28 is allowed the same additional time period after
2 29 leaving the combat zone or the qualified hazardous
2 30 duty area, or ceasing to participate in such
2 31 contingency operation, or after a period of continuous
2 32 hospitalization, to file a state income tax return or
2 33 perform other acts related to the department, as would
2 34 constitute timely filing of the return or timely
2 35 performance of other revenue acts described in section 7508(a)
2 36 of the Internal Revenue Code. For the purposes of
2 37 this paragraph, "other acts related to the department"
2 38 includes filing claims for refund for any tax
2 39 administered by the department, making tax payments
2 40 other than withholding payments, filing appeals on the
2 41 tax matters, filing other tax returns, and performing
2 42 other acts described in the department's rules. The
2 43 additional time period allowed applies to the spouse
2 44 of the individual described in this paragraph to the
2 45 extent the spouse files jointly or separately on the
2 46 combined return form with the individual or when the
2 47 spouse is a party with the individual to any matter
2 48 for which the additional time period is allowed.

2 49 Sec. 7. Section 422.34, subsection 2, Code 2003,
2 50 is amended by adding the following new unnumbered

3 1 paragraph:

3 2 NEW UNNUMBERED PARAGRAPH. An organization that
3 3 would have qualified as an organization exempt from
3 4 federal income tax under section 501(c)(19) of the
3 5 Internal Revenue Code but for the fact that the
3 6 requirement that substantially all of the members who
3 7 are not past or present members of the United States
3 8 armed forces is not met because such members include
3 9 ancestors or lineal descendants, shall be considered
3 10 for purposes of the exemption from taxation under this
3 11 division as an organization exempt from federal income
3 12 tax under section 501(c)(19) of the Internal Revenue
3 13 Code.>

3 14 #5. Page 1, line 8, by striking the words "3 15 Act," and inserting the following:

3 16 <1. Except as provided in subsections 2, 3, and 4,
3 17 this Act,>.

3 18 #6. Page 1, by inserting after line 11 the
3 19 following:

3 20 <2. Section 4 of this Act, amending section 422.7
3 21 to allow for the subtraction of additional death
3 22 gratuity benefits, being deemed of immediate
3 23 importance, takes effect upon enactment and applies
3 24 retroactively to tax years ending after September 10,
3 25 2001.

3 26 3. Section 6 of this Act, amending section 422.21,
3 27 being deemed of immediate importance, takes effect
3 28 upon enactment and applies to any period for
3 29 performing an act that has not expired before the
3 30 effective date.

3 31 4. Section 7 of this Act, amending section 422.34,
3 32 being deemed of immediate importance, takes effect
3 33 upon enactment and applies to tax years beginning
3 34 after the effective date.>

3 35 #7. Title page, by striking lines 1 through 5 and
3 36 inserting the following: "3 37 tax deductions and exemptions for military service
3 38 personnel and organizations, and including effective
3 39 and applicability date provisions.">

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