

# Senate Amendment 5408

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1 1 Amend Senate File 2312 as follows:  
1 2 #1. By striking page 3, line 18, through page 9,  
1 3 line 26.  
1 4 #2. By striking page 14, line 7, through page 16,  
1 5 line 15.  
1 6 #3. Page 16, by inserting before line 16 the  
1 7 following:  
1 8 <DIVISION \_\_\_\_  
1 9 INCOME TAXATION  
1 10 BONUS DEPRECIATION AND EXPENSING ALLOWANCE  
1 11 Sec. \_\_\_\_ Section 422.3, subsection 5, Code  
1 12 Supplement 2003, is amended to read as follows:  
1 13 5. "Internal Revenue Code" means the Internal  
1 14 Revenue Code of 1954, prior to the date of its  
1 15 redesignation as the Internal Revenue Code of 1986 by  
1 16 the Tax Reform Act of 1986, or means the Internal  
1 17 Revenue Code of 1986 as amended to and including  
1 18 January 1, 2003, and as amended by Pub. L. No. 108=  
1 19 27, section 202, whichever is applicable.  
1 20 Sec. \_\_\_\_ Section 422.7, subsection 39, Code  
1 21 Supplement 2003, is amended to read as follows:  
1 22 39. a. The additional first-year depreciation  
1 23 allowance authorized in section 168(k) of the Internal  
1 24 Revenue Code, as enacted by Pub. L. No. 107=147,  
1 25 section 101, does not apply in computing net income  
1 26 for state tax purposes. If the taxpayer has taken  
1 27 such deduction in computing federal adjusted gross  
1 28 income, the following adjustments shall be made:  
1 29 ~~a-~~ (1) Add the total amount of depreciation taken  
1 30 on all property for which the election under section  
1 31 168(k) of the Internal Revenue Code was made for the  
1 32 tax year.  
1 33 ~~b-~~ (2) Subtract an amount equal to depreciation  
1 34 ~~taken~~ allowed on such property for the tax year using  
1 35 the modified accelerated cost recovery system  
1 36 depreciation method applicable under section 168 of  
1 37 the Internal Revenue Code without regard to section  
1 38 168(k).  
1 39 ~~c-~~ (3) Any other adjustments to gains or losses  
1 40 to reflect the adjustments made in ~~paragraphs "a" and~~  
~~1 41 "b" subparagraphs (1) and (2)~~ pursuant to rules  
1 42 adopted by the director.  
1 43 b. The additional first-year depreciation  
1 44 allowance authorized in section 168(k)(4) of the  
1 45 Internal Revenue Code, as enacted by Pub. L. No. 108=  
1 46 27, shall apply in computing net income for state tax  
1 47 purposes, for qualified property acquired after May 5,  
1 48 2003, and before January 1, 2005.  
1 49 Sec. \_\_\_\_ Section 422.32, subsection 7, Code  
1 50 Supplement 2003, is amended to read as follows:  
2 1 7. "Internal Revenue Code" means the Internal  
2 2 Revenue Code of 1954, prior to the date of its  
2 3 redesignation as the Internal Revenue Code of 1986 by  
2 4 the Tax Reform Act of 1986, or means the Internal  
2 5 Revenue Code of 1986 as amended to and including  
2 6 January 1, 2003, and as amended by Pub. L. No. 108=  
2 7 27, section 202, whichever is applicable.  
2 8 Sec. \_\_\_\_ Section 422.35, subsection 19, Code  
2 9 Supplement 2003, is amended to read as follows:  
2 10 19. a. The additional first-year depreciation  
2 11 allowance authorized in section 168(k) of the Internal  
2 12 Revenue Code, as enacted by Pub. L. No. 107=147,  
2 13 section 101, does not apply in computing net income  
2 14 for state tax purposes. If the taxpayer has taken  
2 15 such deduction in computing taxable income, the  
2 16 following adjustments shall be made:  
2 17 ~~a-~~ (1) Add the total amount of depreciation taken  
2 18 on all property for which the election under section  
2 19 168(k) of the Internal Revenue Code was made for the  
2 20 tax year.  
2 21 ~~b-~~ (2) Subtract an amount equal to depreciation

2 22 taken allowed on such property for the tax year using  
2 23 the modified accelerated cost recovery system  
2 24 depreciation method applicable under section 168 of  
2 25 the Internal Revenue Code without regard to section  
2 26 168(k).  
2 27 ~~e-~~ (3) Any other adjustments to gains or losses  
2 28 to reflect the adjustments made in ~~paragraphs "a" and~~  
2 29 ~~"b" subparagraphs (1) and (2)~~ pursuant to rules  
2 30 adopted by the director.  
2 31 b. The additional first-year depreciation  
2 32 allowance authorized in section 168(k)(4) of the  
2 33 Internal Revenue Code, as enacted by Pub. L. No. 108=  
2 34 27, shall apply in computing net income for state tax  
2 35 purposes, for qualified property acquired after May 5,  
2 36 2003, and before January 1, 2005.

2 37 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY.  
2 38 1. The sections of this division of this Act  
2 39 amending section 422.7, subsection 39, and section  
2 40 422.35, subsection 19, apply retroactively to tax  
2 41 years ending after May 5, 2003.  
2 42 2. The sections of this division of this Act  
2 43 amending sections 422.3, subsection 5, and 422.32,  
2 44 subsection 7, apply retroactively to January 1, 2003,  
2 45 for tax years beginning on or after that date.  
2 46 Sec. \_\_\_\_\_. EFFECTIVE DATE. This division of this  
2 47 Act, being deemed of immediate importance, takes  
2 48 effect upon enactment.>  
2 49 #4. Title page, line 3, by striking the words  
2 50 <workers' compensation,>.

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