

Senate Amendment 3320

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1 1 Amend the Senate amendment, H=1634, to House File
1 2 761, as amended, passed, and reprinted by the House,
1 3 as follows:
1 4 #1. By striking page 1, line 3, through page 11,
1 5 line 2, and inserting the following:
1 6 <#____. By striking everything after the enacting
1 7 clause and inserting the following:
1 8 <DIVISION I
1 9 IOWA EMPOWERMENT BOARD
1 10 Sec. _____. Section 28.1, Code 2005, is amended by
1 11 adding the following new subsection:
1 12 NEW SUBSECTION. 3A. "Early care", "early care
1 13 services", or "early care system" means the programs,
1 14 services, support, or other assistance made available
1 15 to a parent or other person who is involved with
1 16 addressing the health and education needs of a child
1 17 from birth through age five. "Early care", "early
1 18 care services", or "early care system" includes but is
1 19 not limited to public and private efforts and formal
1 20 and informal settings.
1 21 Sec. _____. Section 28.2, subsection 3, Code 2005,
1 22 is amended to read as follows:
1 23 3. To achieve the initial set of desired results,
1 24 the initiative's primary focus shall first be on the
1 25 efforts of the state and communities to work together
1 26 to improve the efficiency and effectiveness of early
1 27 care, education, health, and human services provided
1 28 to families with children from birth through age five
1 29 years.
1 30 Sec. _____. Section 28.3, subsections 1 and 2, Code
1 31 2005, are amended to read as follows:
1 32 1. An Iowa empowerment board is created to
1 33 facilitate state and community efforts involving
1 34 community empowerment areas, including strategic
1 35 planning, funding identification, and guidance, and to
1 36 promote collaboration among state and local early
1 37 care, education, health, and human services programs.
1 38 2. The Iowa board shall consist of eighteen voting
1 39 members with thirteen citizen members and five state
1 40 agency members. The five state agency members shall
1 41 be the directors of the following departments:
1 42 economic development, education, human rights, human
1 43 services, and public health. The thirteen citizen
1 44 members shall be appointed by the governor, subject to
1 45 confirmation by the senate. The governor's
1 46 appointments of citizen members shall be made in a
1 47 manner so that each of the state's congressional
1 48 districts is represented by two citizen members and so
1 49 that all the appointments as a whole reflect the
1 50 ethnic, cultural, social, and economic diversity of
2 1 the state. The governor's appointees shall be
2 2 selected from individuals nominated by community
2 3 empowerment area boards. The nominations shall
2 4 reflect the range of interests represented on the
2 5 community boards so that the governor is able to
2 6 appoint one or more members each for early care,
2 7 education, health, human services, business, faith,
2 8 and public interests. At least one of the citizen
2 9 members shall be a service consumer or the parent of a
2 10 service consumer. Terms of office of all citizen
2 11 members are three years. A vacancy on the board shall
2 12 be filled in the same manner as the original
2 13 appointment for the balance of the unexpired term.
2 14 Sec. _____. Section 28.3, subsection 5, Code 2005,
2 15 is amended to read as follows:
2 16 5. A community empowerment assistance team or
2 17 teams of state agency representatives shall be
2 18 designated to provide technical assistance and other
2 19 support to community empowerment areas and for the
2 20 board's efforts to address early care, education,
2 21 health, and human services. A technical assistance
2 22 system shall be developed using local representatives
2 23 of the state agencies represented on the Iowa board
2 24 and other state agencies and individuals involved with

2 25 local community empowerment areas early care,
2 26 education, health, and human services. The technical
2 27 ~~assistance shall be available in at least three levels~~
2 28 ~~of support as follows:~~
2 29 a. ~~Support to areas experienced in operating an~~
2 30 ~~innovation zone or decategorization project with an~~
2 31 ~~extensive record of success in collaboration between~~
2 32 ~~education, health, or human services interests.~~
2 33 b. ~~Support to areas experienced in operating an~~
2 34 ~~innovation zone or decategorization project.~~
2 35 c. ~~Support to areas forming an initial community~~
2 36 ~~empowerment area with no previous experience operating~~
2 37 ~~an innovation zone or decategorization project.~~
2 38 Sec. _____. Section 28.3, subsection 6, paragraph b,
2 39 Code 2005, is amended to read as follows:
2 40 b. In addition, a community empowerment office is
2 41 established as a division of the department of
2 42 management to provide a center for facilitation,
2 43 communication, and coordination for community
2 44 empowerment activities and funding and for improvement
2 45 of the early care, education, health, and human
2 46 services systems. Staffing for the community
2 47 empowerment office shall be provided by a facilitator
2 48 or coordinator appointed by the governor, subject to
2 49 confirmation by the senate, and who serves at the
2 50 pleasure of the governor. A deputy and support staff
3 1 may be designated, subject to appropriation made for
3 2 this purpose. The facilitator or coordinator shall
3 3 submit reports to the governor, the Iowa board, and
3 4 the general assembly. The facilitator shall provide
3 5 primary staffing to the board, coordinate state
3 6 technical assistance activities and implementation of
3 7 the technical assistance system, and other
3 8 communication and coordination functions to move
3 9 authority and decision-making responsibility from the
3 10 state to communities and individuals.
3 11 Sec. _____. Section 28.3, Code 2005, is amended by
3 12 adding the following new subsection:
3 13 NEW SUBSECTION. 6A. The director of the
3 14 department of management shall designate early care
3 15 staff, as part of the community empowerment
3 16 initiative, to provide coordination and other support
3 17 to the state's early care system. The early care
3 18 staff shall work with the state and local components
3 19 of the community empowerment initiative, shared
3 20 visions programs funded under chapter 256A, and other
3 21 public and private efforts to improve the early care
3 22 system. The early care staff duties shall include but
3 23 are not limited to the following:
3 24 a. Providing support to the public and private
3 25 stakeholders who are involved with the early care
3 26 system, acting to strengthen the early care system,
3 27 and developing accountability measures for early care
3 28 efforts.
3 29 b. Developing and disseminating accountability
3 30 measures for assessing the outcomes produced by the
3 31 department of education, the community empowerment
3 32 initiative, and other publicly funded efforts to
3 33 improve early care of young children, including but
3 34 not limited to shared visions and other programs
3 35 provided under the auspices of the child development
3 36 coordinating council, high-quality preschool programs,
3 37 head start programs, and school ready children grant
3 38 programs. The initial measures utilized shall be the
3 39 individual growth and development indicators developed
3 40 by the early childhood research institute on measuring
3 41 growth and development or other measures of high
3 42 quality to be authorized by law.
3 43 c. Collecting, interpreting, and disseminating
3 44 data collected from the measures for assessing
3 45 outcomes under paragraph "b". Factors subject to
3 46 interpretation may include area demographics, relative
3 47 expenditures, collaboration between programs in an
3 48 area, and other factors impacting the outcomes
3 49 produced by an individual program.
3 50 d. Annually providing information to the governor
4 1 and general assembly regarding the outcomes produced
4 2 by individual programs. The information shall be
4 3 included in the Iowa empowerment board's annual
4 4 report.
4 5 Sec. _____. Section 28.4, subsection 4, Code 2005,

4 6 is amended to read as follows:

4 7 4. Identify boards, commissions, committees, and
4 8 other bodies in state government with overlapping and
4 9 similar purposes which contribute to redundancy and
4 10 fragmentation in early care, education, health, and
4 11 human services programs provided to the public. The
4 12 board shall also make recommendations and provide an
4 13 annually updated strategic plan to the governor and
4 14 general assembly as appropriate for increasing
4 15 coordination between these bodies, for eliminating
4 16 bureaucratic duplication, for consolidation where
4 17 appropriate, and for improving the efficiency of
4 18 working with federally mandated bodies, for
4 19 integration of services and service quality functions
4 20 to achieve improved results, and for integration of
4 21 state-administered funding streams directed to
4 22 community empowerment areas and other community-based
4 23 efforts for providing early care, education, health,
4 24 and human services.

4 25 Sec. ____ Section 28.4, subsection 12, paragraph
4 26 d, Code 2005, is amended to read as follows:

4 27 d. The Iowa empowerment board shall regularly make
4 28 information available identifying community
4 29 empowerment funding and funding distributed ~~through~~
4 30 ~~the funding streams listed under this paragraph "d" to~~
4 31 ~~communities for purposes of the early care system.~~ It
4 32 is the intent of the general assembly that the
4 33 community empowerment area boards and the
4 34 administrators of the early care programs located
4 35 within the community empowerment areas that are
4 36 supported by the ~~listed funding streams~~ public funding
4 37 shall fully cooperate with one another ~~on or before~~
4 38 ~~the indicated fiscal years~~, in order to avoid
4 39 duplication, enhance efforts, combine planning, and
4 40 take other steps to best utilize the funding to meet
4 41 the needs of the families in the areas. The community
4 42 empowerment area boards and the program administrators
4 43 shall annually submit a report concerning such efforts
4 44 to the community empowerment office. If a community
4 45 empowerment area is receiving a school ready children
4 46 grant, this report shall be an addendum to the annual
4 47 report required under section 28.8. The state
4 48 community empowerment facilitator or coordinator shall
4 49 compile and summarize the reports which shall be
4 50 submitted to the governor, general assembly, and Iowa
5 1 board. ~~The funding streams shall include all of the~~
5 2 ~~following:~~

5 3 (1) ~~Moneys for the healthy opportunities for~~
5 4 ~~parents to experience success--healthy families Iowa~~
5 5 ~~program under section 135.106 by the fiscal year~~
5 6 ~~beginning July 1, 2000, and ending June 30, 2001.~~

5 7 (2) ~~Moneys for parent education appropriated in~~
5 8 ~~section 279.51 and distributed through the child~~
5 9 ~~development coordinating council, by the fiscal year~~
5 10 ~~beginning July 1, 2000, and ending June 30, 2001.~~

5 11 (3) ~~Moneys for the preschool children at-risk~~
5 12 ~~program appropriated in section 279.51 and distributed~~
5 13 ~~through the child development coordinating council, by~~
5 14 ~~the fiscal year beginning July 1, 2001, and ending~~
5 15 ~~June 30, 2002.~~

5 16 (4) ~~Moneys for home visitation and parent support~~
5 17 ~~annually appropriated to the department of human~~
5 18 ~~services and distributed or expended through child~~
5 19 ~~abuse prevention grants and the family preservation~~
5 20 ~~program, by the fiscal year beginning July 1, 2000,~~
5 21 ~~and ending June 30, 2001.~~

5 22 Sec. ____ Section 28.4, Code 2005, is amended by
5 23 adding the following new subsections:

5 24 NEW SUBSECTION. 13. Integrate statewide quality
5 25 standards and results indicators adopted by other
5 26 boards and commissions into the Iowa empowerment
5 27 board's funding requirements for investments in early
5 28 care, education, health, and human services.

5 29 NEW SUBSECTION. 14. With the assistance of the
5 30 state departments represented on the Iowa empowerment
5 31 board and the community empowerment office, develop
5 32 and implement requirements for community empowerment
5 33 areas and the state administrators of programs
5 34 providing early care or early care services to
5 35 annually report to the public and the early care
5 36 coordinator regarding the results produced by the

5 37 community empowerment initiative and by the programs.
5 38 Source data shall be made available to the early care
5 39 coordinator.

5 40 Sec. _____. Section 28.5, subsection 1, Code 2005,
5 41 is amended to read as follows:

5 42 1. The purpose of a community empowerment area is
5 43 to enable local citizens to lead collaborative efforts
5 44 involving early care, education, health, and human
5 45 services programs on behalf of the children, families,
5 46 and other citizens residing in the area. Leadership
5 47 functions may include but are not limited to strategic
5 48 planning for and oversight and managing of such
5 49 programs and the funding made available to the
5 50 community empowerment area for such programs from
6 1 federal, state, local, and private sources. The
6 2 initial focus of the purpose is to improve results for
6 3 families with young children.

6 4 Sec. _____. Section 28.6, subsection 1, paragraph a,
6 5 Code 2005, is amended to read as follows:

6 6 a. Community empowerment area functions shall be
6 7 performed under the authority of a community
6 8 empowerment area board. A majority of the members of
6 9 a community board shall be elected officials and
6 10 members of the public who are not employed by a
6 11 provider of services to or for the community board.
6 12 At least one member shall be a service consumer or the
6 13 parent of a service consumer. Terms of office of
6 14 community board members shall be not more than three
6 15 years and the terms shall be staggered. The
6 16 membership of a community empowerment area board shall
6 17 include members with early care, education, health,
6 18 human services, business, faith, and public interests.

6 19 Sec. _____. Section 28.8, subsection 5, paragraph a,
6 20 Code 2005, is amended to read as follows:

6 21 a. A school ready children grant shall be awarded
6 22 to a community board for a three-year period, with
6 23 annual payments made to the community board. The Iowa
6 24 empowerment board may grant an extension from the
6 25 award date and any application deadlines based upon
6 26 the award date, to allow for a later implementation
6 27 date in the initial year in which a community board
6 28 submits a comprehensive school ready grant plan to the
6 29 Iowa empowerment board. However, receipt of continued
6 30 funding is subject to submission of the required
6 31 annual report and the Iowa board's determination that
6 32 the community board is measuring, through the use of
6 33 performance and results indicators developed by the
6 34 Iowa board with input from community boards, progress
6 35 toward and is achieving the desired results identified
6 36 in the grant plan. If progress is not measured
6 37 through the use of performance and results indicators
6 38 toward achieving the identified results, the Iowa
6 39 board may request a plan of corrective action,
6 40 withhold any increase in funding, or may withdraw

6 41 grant funding.

6 42 Sec. _____. Section 28.8, subsection 5, paragraph c,
6 43 unnumbered paragraph 1, Code 2005, is amended to read
6 44 as follows:

6 45 A community board's readiness shall be ascertained
6 46 by evidence of successful collaboration among public
6 47 or private early care, education, ~~human services, or~~
6 48 health, or human services interests or a documented
6 49 program design evincing a strong likelihood of leading
6 50 to a successful collaboration between these interests.
7 1 Other criteria which may be used by the Iowa board to
7 2 ascertain readiness and to determine funding amounts
7 3 include one or more of the following:

7 4 Sec. _____. Section 28.8, subsection 5, Code 2005,
7 5 is amended by adding the following new paragraph:

7 6 NEW PARAGRAPH. e. The Iowa empowerment board
7 7 shall identify and apply limitations on the
7 8 carryforward of school ready children grant funding.
7 9 The limitations shall address an unusually high
7 10 percentage of a grant being carried forward, the
7 11 number of years a grant has been carried forward which
7 12 shall not exceed three years, and other objective
7 13 criteria. The limitations shall make allowances for
7 14 special circumstances such as the carryforward of
7 15 funding that is designated for a particular purpose
7 16 and is scheduled in the grant plan. The board may
7 17 provide for redistribution or other redirection of the

7 18 funding that meets the criteria.
7 19 Sec. _____. NEW SECTION. 28.10 EARLY CARE ==
7 20 INTERNET WEBPAGE.
7 21 1. The Iowa empowerment board shall provide for
7 22 the operation of an internet webpage for purposes of
7 23 widely distributing early care information provided by
7 24 the departments represented on the board and the
7 25 public and private agencies addressing the early care
7 26 system.
7 27 2. Information provided on the internet webpage
7 28 shall include but is not limited to all of the
7 29 following:
7 30 a. The early learning standards for children ages
7 31 three to five proposed by the early learning standards
7 32 group created pursuant to federal child care and
7 33 development block grant requirements and with
7 34 assistance from the Iowa child care and early
7 35 education network, department of education, department
7 36 of human services, Iowa head start association, and
7 37 Iowa state university of science and technology, as
7 38 prepared with consideration of the standards and
7 39 recommendations issued by the United States department
7 40 of education regarding early childhood cognitive
7 41 development and learning and preschool and research=
7 42 based standards for high-quality early care, including
7 43 but not limited to the practices identified by the
7 44 institute of education sciences of the United States
7 45 department of education. As early learning standards
7 46 are identified in law, the proposed standards posted
7 47 on the webpage shall be replaced with the standards
7 48 identified in law.
7 49 b. A link to a special webpage directed to
7 50 parents, including parent-specific information on
8 1 early care, information regarding the early childhood
8 2 development credits under section 422.12C, and links
8 3 to other resources available on the internet and from
8 4 other sources.
8 5 c. Program standards for early care that have been
8 6 approved by state agencies.
8 7 d. A single point of contact for use by a parent
8 8 in accessing the community empowerment area programs
8 9 and early care programs that are available in the
8 10 parent's area.
8 11 3. The Iowa empowerment board shall include
8 12 information regarding the extent and frequency of
8 13 usage of the webpage or webpages in the board's annual
8 14 report to the governor and general assembly.
8 15 Sec. _____. NEW SECTION. 279.60 KINDERGARTEN
8 16 ASSESSMENT.
8 17 Each school district shall administer the dynamic
8 18 indicators of basic early literacy skills kindergarten
8 19 benchmark assessment or other kindergarten benchmark
8 20 assessment adopted by the department of education in
8 21 consultation with the Iowa empowerment board to every
8 22 kindergarten student enrolled in the district not
8 23 later than October 1. The school district shall also
8 24 collect information from each parent, guardian, or
8 25 legal custodian of a kindergarten student enrolled in
8 26 the district, including but not limited to whether the
8 27 student attended preschool, factors identified by the
8 28 early care staff pursuant to section 28.3, and other
8 29 demographic factors. Each school district shall
8 30 report the results of the assessment and the preschool
8 31 information collected to the department of education
8 32 in the manner prescribed by the department not later
8 33 than January 1 of that school year. The early care
8 34 staff designated pursuant to section 28.3 shall have
8 35 access to the raw data. The department shall review
8 36 the information submitted pursuant to this section and
8 37 shall submit its findings and recommendations annually
8 38 in a report to the governor, the general assembly, the
8 39 Iowa empowerment board, and the community empowerment
8 40 area boards.
8 41 Sec. _____. EARLY CARE AND CHILD CARE PROVIDER
8 42 INCENTIVES. The Iowa empowerment board shall conduct
8 43 a study of incentives that can be made available to
8 44 persons who provide early care, as defined in section
8 45 28.1, as amended in this Act, and child care,
8 46 including but not limited to providers of child care
8 47 regulated by the department of human services or the
8 48 department of education, preschools, head start

8 49 programs, and other persons who have no or limited
8 50 benefit packages and provide services to children.
9 1 The incentives studied shall include but are not
9 2 limited to forgivable loans for higher education
9 3 expenses, health care benefits, and retirement
9 4 benefits. The board shall report to the governor and
9 5 general assembly on or before December 16, 2005, with
9 6 findings, recommendations, and a fiscal analysis of
9 7 options.

9 8 Sec. _____. EARLY CARE INTEGRATION PLAN. The
9 9 community empowerment office of the department of
9 10 management, with the assistance of the departments
9 11 represented on the Iowa empowerment board, shall
9 12 develop a plan to integrate the efforts of the state
9 13 agency staff who have job functions directed to the
9 14 early care system, as defined in section 28.1, as
9 15 amended in this Act. The plan shall be submitted to
9 16 the chairpersons and ranking members of the committees
9 17 on human resources and education of the senate and the
9 18 house of representatives on or before December 16,
9 19 2006.

9 20 Sec. _____. IMPLEMENTATION OF INTERNET WEBPAGE. The
9 21 internet webpage required pursuant to section 28.10,
9 22 as enacted by this Act, shall be implemented on or
9 23 before March 1, 2006.

9 24 DIVISION II

9 25 CHILD CARE QUALITY RATING

9 26 Sec. _____. Section 237A.30, Code 2005, is amended
9 27 by striking the section and inserting in lieu thereof
9 28 the following:

9 29 237A.30 VOLUNTARY CHILD CARE QUALITY RATING
9 30 SYSTEM.

9 31 1. The department shall work with the community
9 32 empowerment office of the department of management
9 33 established in section 28.3 and the state child care
9 34 advisory council in designing and implementing a
9 35 voluntary quality rating system for each provider type
9 36 of child care facility.

9 37 2. The criteria utilized for the rating system may
9 38 include but are not limited to any of the following:
9 39 facility type; provider staff experience, education,
9 40 training, and credentials; facility director education
9 41 and training; an environmental rating score or other
9 42 direct assessment environmental methodology; national
9 43 accreditation; facility history of compliance with law
9 44 and rules; child-to-staff ratio; curriculum, including
9 45 the extent to which the curriculum focuses on the
9 46 stages of child development and on child outcomes;
9 47 business practices; staff retention rates; evaluation
9 48 of staff members and program practices; staff
9 49 compensation and benefit practices; provider and staff
9 50 membership in professional early childhood
10 1 organizations; and parental involvement with the
10 2 facility.

10 3 3. A facility's quality rating may be included on
10 4 the internet page and in the consumer information
10 5 provided by the department pursuant to section 237A.25
10 6 and shall be identified in the child care provider
10 7 referrals made by child care resource and referral
10 8 service grantees under section 237A.26.

10 9 Sec. _____. PHASED IMPLEMENTATION.

10 10 1. Effective July 1, 2005, the department of human
10 11 services shall no longer accept applications for the
10 12 gold seal quality designation for child care providers
10 13 under section 237A.30, Code 2005. However, if a child
10 14 care provider has been awarded the designation prior
10 15 to July 1, 2005, the designation may continue to be
10 16 utilized for that provider until the designated period
10 17 of nationally recognized accreditation for which the
10 18 gold seal designation was awarded has ended.

10 19 2. The department of human services shall commence
10 20 implementation of the voluntary child care quality
10 21 rating system under section 237A.30, as amended by
10 22 this Act, by awarding ratings beginning on or after
10 23 January 1, 2006. The department may modify
10 24 implementation of the rating system and the rating
10 25 system itself as necessary to conform to the funding
10 26 made available for the rating system for the fiscal
10 27 year beginning July 1, 2005.

10 28 Sec. _____. FEDERAL COORDINATION INITIATIVE. If an
10 29 opportunity is offered by the federal government and

10 30 the department of management, in consultation with the
10 31 relevant state agency directors and the Iowa head
10 32 start association, has determined that participation
10 33 in the opportunity would not adversely affect head
10 34 start programs in Iowa, the Iowa empowerment board and
10 35 the state agencies represented on the board shall
10 36 apply for Iowa to participate in a head start pilot
10 37 program designed to promote coordination of state head
10 38 start, preschool, and child care programs into a
10 39 comprehensive early childhood system.

10 40 DIVISION III

10 41 EARLY CHILDHOOD DEVELOPMENT TAX CREDIT

10 42 Sec. _____. Section 422.12C, subsection 1, paragraph
10 43 f, Code 2005, is amended to read as follows:

10 44 f. For a taxpayer with net income of forty
10 45 thousand dollars or more, ~~zero but less than forty=~~
10 46 five thousand dollars, thirty percent.

10 47 Sec. _____. Section 422.12C, subsection 1, Code
10 48 2005, is amended by adding the following new
10 49 paragraph:

10 50 NEW PARAGRAPH. g. For a taxpayer with net income
11 1 of forty=five thousand dollars or more, zero percent.

11 2 Sec. _____. Section 422.12C, Code 2005, is amended
11 3 by adding the following new subsection:

11 4 NEW SUBSECTION. 1A. a. In lieu of the child and
11 5 dependent care credit authorized in subsection 1, a
11 6 taxpayer may claim an early childhood development tax
11 7 credit equal to twenty=five percent of the first one
11 8 thousand dollars which the taxpayer has paid to others
11 9 for each dependent, as defined in the Internal Revenue
11 10 Code, ages three through five for early childhood
11 11 development expenses. In determining the amount of
11 12 early childhood development expenses, such expenses
11 13 paid during November and December of the previous tax
11 14 year shall be considered paid in the tax year for
11 15 which the tax credit is claimed. This credit is
11 16 available to a taxpayer whose net income is less than
11 17 forty=five thousand dollars. If the early childhood
11 18 development tax credit is claimed for a tax year, the
11 19 taxpayer and the taxpayer's spouse shall not claim the
11 20 child and dependent care credit under subsection 1.
11 21 As used in this subsection, "early childhood
11 22 development expenses" means services provided to the
11 23 dependent by a preschool, as defined in section
11 24 237A.1, materials, and other activities as follows:

11 25 (1) Books that improve child development,
11 26 including textbooks, music books, art books, teacher's
11 27 editions, and reading books.

11 28 (2) Instructional materials required to be used in
11 29 a child development or educational lesson activity,
11 30 including but not limited to paper, notebooks,
11 31 pencils, and art supplies.

11 32 (3) Lesson plans and curricula.

11 33 (4) Child development and educational activities
11 34 outside the home, including drama, art, music, and
11 35 museum activities, and the entrance fees for such
11 36 activities, but not including food or lodging,
11 37 membership fees, or other nonacademic expenses.

11 38 "Early childhood development expenses" does not
11 39 include services, materials, or activities for the
11 40 teaching of religious tenets, doctrines, or worship,
11 41 the purpose of which is to inculcate those tenets,
11 42 doctrines, or worship.

11 43 b. Each taxpayer intending to claim a credit under
11 44 this subsection shall apply, on forms provided by the
11 45 department, for the credit by filing a notice with the
11 46 department no later than November 1 of the tax year to
11 47 which the credit is applicable. The notice shall
11 48 provide supporting documentation as required by the
11 49 department. The department shall compute the total
11 50 amount of credits contained in the notices received by
12 1 the department. The total amount of credits that may
12 2 be approved for any fiscal year for purposes of this
12 3 subsection is limited to two million five hundred
12 4 thousand dollars. If tax credits under this
12 5 subsection exceed this limit, each taxpayer shall
12 6 receive a pro rata amount of the credit as determined
12 7 by the department. The department shall notify the
12 8 taxpayer of the amount of the taxpayer's credit no
12 9 later than January 1 following the deadline for
12 10 receipt of the notice.

12 11 Sec. _____. Section 422.12C, subsection 3, Code
12 12 2005, is amended to read as follows:
12 13 3. Married taxpayers who have filed joint federal
12 14 returns electing to file separate returns or to file
12 15 separately on a combined return form must determine
12 16 the child and dependent care credit under subsection 1
12 17 or the early childhood development tax credit under
12 18 subsection 1A based upon their combined net income and
12 19 allocate the total credit amount to each spouse in the
12 20 proportion that each spouse's respective net income
12 21 bears to the total combined net income. Nonresidents
12 22 or part-year residents of Iowa must determine their
12 23 Iowa child and dependent care credit in the ratio of
12 24 their Iowa source net income to their all source net
12 25 income. Nonresidents or part-year residents who are
12 26 married and elect to file separate returns or to file
12 27 separately on a combined return form must allocate the
12 28 Iowa child and dependent care credit between the
12 29 spouses in the ratio of each spouse's Iowa source net
12 30 income to the combined Iowa source net income of the
12 31 taxpayers.
12 32 Sec. _____. APPLICABILITY DATE. This division of
12 33 this Act applies to tax years beginning on or after
12 34 January 1, 2006.>
12 35 #2. Title page, by striking lines 1 through 5 and
12 36 inserting the following: <An Act relating to
12 37 improvement of the early care, child care services,
12 38 education, health, and human services systems,
12 39 revising the child and dependent care tax credit,
12 40 creating an early childhood development tax credit,
12 41 and providing an applicability date.>
12 42 #3. By renumbering as necessary.
12 43 HF 761.H
12 44 jp/es/25