

# Senate Amendment 3291

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1 1 Amend Senate File 481 as follows:  
1 2 #1. Page 1, by inserting before line 1 the  
1 3 following:  
1 4                               <DIVISION I  
1 5                               HISTORIC TAX CREDITS>  
1 6 #2. Page 9, by inserting before line 9 the  
1 7 following:  
1 8                               <DIVISION II  
1 9                               INTERNAL REVENUE CODE COUPLING  
1 10 Sec. \_\_\_\_\_. Section 15.335, subsection 4, paragraph  
1 11 b, Code 2009, is amended to read as follows:  
1 12 b. For purposes of this section, "Internal Revenue  
1 13 Code" means the Internal Revenue Code in effect on  
1 14 January 1, ~~2008~~ 2009.  
1 15 Sec. \_\_\_\_\_. Section 15A.9, subsection 8, paragraph  
1 16 e, subparagraph (2), Code 2009, is amended to read as  
1 17 follows:  
1 18 (2) For purposes of this subsection, "Internal  
1 19 Revenue Code" means the Internal Revenue Code in  
1 20 effect on January 1, ~~2008~~ 2009.  
1 21 Sec. \_\_\_\_\_. Section 422.3, subsection 5, Code 2009,  
1 22 is amended to read as follows:  
1 23 5. "Internal Revenue Code" means the Internal  
1 24 Revenue Code of 1954, prior to the date of its  
1 25 redesignation as the Internal Revenue Code of 1986 by  
1 26 the Tax Reform Act of 1986, or means the Internal  
1 27 Revenue Code of 1986 as amended to and including  
1 28 January 1, ~~2008~~ 2009.  
1 29 Sec. \_\_\_\_\_. Section 422.5, subsection 1, paragraph  
1 30 k, subparagraph (1), Code 2009, is amended to read as  
1 31 follows:  
1 32 (1) Add items of tax preference included in  
1 33 federal alternative minimum taxable income under  
1 34 section 57, except subsections (a)(1), (a)(2), and  
1 35 (a)(5), of the Internal Revenue Code, make the  
1 36 adjustments included in federal alternative minimum  
1 37 taxable income under section 56, except subsections  
1 38 (a)(4), (b)(1)(C)(iii), and (d), of the Internal  
1 39 Revenue Code, and add losses as required by section 58  
1 40 of the Internal Revenue Code. To the extent that any  
1 41 preference or adjustment is determined by an  
1 42 individual's federal adjusted gross income, the  
1 43 individual's federal adjusted gross income is computed  
1 44 in accordance with section 422.7, ~~subsection~~  
1 45 subsections 39 and 39A. In the case of an estate or  
1 46 trust, the items of tax preference, adjustments, and  
1 47 losses shall be apportioned between the estate or  
1 48 trust and the beneficiaries in accordance with rules  
1 49 prescribed by the director.  
1 50 Sec. \_\_\_\_\_. Section 422.7, Code 2009, is amended by  
2 1 adding the following new subsection:  
2 2 NEW SUBSECTION. 39A. The additional first-year  
2 3 depreciation allowance authorized in section 168(k) of  
2 4 the Internal Revenue Code, as enacted by Pub. L. No.  
2 5 110-185, section 103, does not apply in computing net  
2 6 income for state tax purposes. If a taxpayer has  
2 7 taken a deduction for additional first-year  
2 8 depreciation in computing federal adjusted gross  
2 9 income, the following adjustments to federal adjusted  
2 10 gross income shall be made:  
2 11 a. Add the total amount of depreciation taken on  
2 12 all property for which the election under section  
2 13 168(k) of the Internal Revenue Code was made for the  
2 14 tax year.  
2 15 b. Subtract an amount equal to depreciation  
2 16 allowed on such property for the tax year using the  
2 17 modified accelerated cost recovery system depreciation  
2 18 method applicable under section 168 of the Internal  
2 19 Revenue Code without regard to section 168(k).  
2 20 c. Any other adjustments to gains or losses to  
2 21 reflect the adjustments made in paragraphs "a" and  
2 22 "b", according to rules adopted by the director.  
2 23 Sec. \_\_\_\_\_. Section 422.7, subsection 53, Code 2009,  
2 24 is amended by striking the subsection.

2 25 Sec. \_\_\_\_\_. Section 422.9, subsection 2, paragraphs  
2 26 h and i, Code 2009, are amended to read as follows:  
2 27 h. For purposes of calculating the deductions in  
2 28 this subsection that are authorized under the Internal  
2 29 Revenue Code, and to the extent that any of such  
2 30 deductions is determined by an individual's federal  
2 31 adjusted gross income, the individual's federal  
2 32 adjusted gross income is computed in accordance with  
2 33 section 422.7, ~~subsection~~ subsections 39 and 39A.  
2 34 i. The deduction for state sales and use taxes is  
2 35 allowable only if the taxpayer elected to deduct the  
2 36 state sales and use taxes in lieu of state income  
2 37 taxes under section 164 of the Internal Revenue Code.  
2 38 A deduction for state sales and use taxes is not  
2 39 allowed if the taxpayer has taken the deduction for  
2 40 state income taxes or claimed the standard deduction  
2 41 under section 63 of the Internal Revenue Code. This  
2 42 paragraph applies to taxable years beginning after  
2 43 December 31, 2003, and before January 1, ~~2006~~ 2010.  
2 44 Sec. \_\_\_\_\_. Section 422.9, subsection 3, paragraph  
2 45 b, Code 2009, is amended to read as follows:  
2 46 b. The Iowa net operating loss remaining after  
2 47 being carried back as required in paragraph "a", ~~or~~  
2 48 "d", or "e", or if not required to be carried back  
2 49 shall be carried forward twenty taxable years.  
2 50 Sec. \_\_\_\_\_. Section 422.9, subsection 3, Code 2009,  
3 1 is amended by adding the following new paragraph:  
3 2 NEW PARAGRAPH. e. Notwithstanding paragraph "a",  
3 3 for a taxpayer who has a qualified disaster loss as  
3 4 defined in section 172(b)(1)(J) of the Internal  
3 5 Revenue Code, including modifications prescribed by  
3 6 rule by the director, the Iowa qualified disaster loss  
3 7 is a net operating loss which may be carried back five  
3 8 taxable years prior to the taxable year of the loss.  
3 9 Sec. \_\_\_\_\_. Section 422.9, Code 2009, is amended by  
3 10 adding the following new subsection:  
3 11 NEW SUBSECTION. 9. In determining the amount of  
3 12 deduction for federal income tax under subsection 1 or  
3 13 subsection 2, paragraph "b", for tax years beginning  
3 14 in the 2009 calendar year, if a refund is attributable  
3 15 to the receipt of an advance refund pursuant to the  
3 16 federal Recovery Rebates and Economic Stimulus for the  
3 17 American People Act of 2008, Pub. L. No. 110-185, the  
3 18 amount of the deduction for the tax year shall not be  
3 19 adjusted by the amount of the advance refund, and the  
3 20 amount of the advance refund shall not be taxable  
3 21 under this division.  
3 22 Sec. \_\_\_\_\_. Section 422.10, subsection 3, unnumbered  
3 23 paragraph 2, Code 2009, is amended to read as follows:  
3 24 For purposes of this section, "Internal Revenue  
3 25 Code" means the Internal Revenue Code in effect on  
3 26 January 1, ~~2008~~ 2009.  
3 27 Sec. \_\_\_\_\_. Section 422.32, subsection 7, Code 2009,  
3 28 is amended to read as follows:  
3 29 7. "Internal Revenue Code" means the Internal  
3 30 Revenue Code of 1954, prior to the date of its  
3 31 redesignation as the Internal Revenue Code of 1986 by  
3 32 the Tax Reform Act of 1986, or means the Internal  
3 33 Revenue Code of 1986 as amended to and including  
3 34 January 1, ~~2008~~ 2009.  
3 35 Sec. \_\_\_\_\_. Section 422.33, subsection 5, paragraph  
3 36 d, unnumbered paragraph 2, Code 2009, is amended to  
3 37 read as follows:  
3 38 For purposes of this subsection, "Internal Revenue  
3 39 Code" means the Internal Revenue Code in effect on  
3 40 January 1, ~~2008~~ 2009.  
3 41 Sec. \_\_\_\_\_. Section 422.35, subsection 11, paragraph  
3 42 b, Code 2009, is amended to read as follows:  
3 43 b. The Iowa net operating loss remaining after  
3 44 being carried back as required in paragraph "a", ~~or~~  
3 45 "f", or "g", or if not required to be carried back  
3 46 shall be carried forward twenty taxable years.  
3 47 Sec. \_\_\_\_\_. Section 422.35, subsection 11, Code  
3 48 2009, is amended by adding the following new  
3 49 paragraph:  
3 50 NEW PARAGRAPH. g. Notwithstanding paragraph "a",  
4 1 for a taxpayer who has a qualified disaster loss as  
4 2 defined in section 172(b)(1)(J) of the Internal  
4 3 Revenue Code, including modifications prescribed by  
4 4 rule by the director, the Iowa qualified disaster loss  
4 5 is a net operating loss which may be carried back five

4 6 taxable years prior to the taxable year of the loss.  
4 7 Sec. \_\_\_\_\_. Section 422.35, Code 2009, is amended by  
4 8 adding the following new subsection:  
4 9 NEW SUBSECTION. 19A. The additional first=year  
4 10 depreciation allowance authorized in section 168(k) of  
4 11 the Internal Revenue Code, as enacted by Pub. L. No.  
4 12 110=185, section 103, does not apply in computing net  
4 13 income for state tax purposes. If a taxpayer has  
4 14 taken a deduction for additional first=year  
4 15 depreciation in computing federal taxable income, the  
4 16 following adjustments to federal taxable income shall  
4 17 be made:  
4 18 a. Add the total amount of depreciation taken on  
4 19 all property for which the election under section  
4 20 168(k) of the Internal Revenue Code was made for the  
4 21 tax year.  
4 22 b. Subtract an amount equal to depreciation  
4 23 allowed on such property for the tax year using the  
4 24 modified accelerated cost recovery system depreciation  
4 25 method applicable under section 168 of the Internal  
4 26 Revenue Code without regard to section 168(k).  
4 27 c. Any other adjustments to gains or losses to  
4 28 reflect the adjustments made in paragraphs "a" and  
4 29 "b", according to rules adopted by the director.  
4 30 Sec. \_\_\_\_\_. Section 422.35, subsection 24, Code  
4 31 2009, is amended by striking the subsection.  
4 32 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY.  
4 33 1. The sections of this Act amending Code sections  
4 34 15.335, 15A.9, 422.3, 422.9, subsection 3, 422.10,  
4 35 422.32, 422.33, and 422.35, subsection 11, apply  
4 36 retroactively to January 1, 2008, for tax years  
4 37 beginning on or after that date.  
4 38 2. The sections of this Act amending Code sections  
4 39 422.5, 422.7, new subsection 39A and subsection 53,  
4 40 422.9, subsection 2, and 422.35, new subsection 19A  
4 41 and subsection 24, apply retroactively to December 31,  
4 42 2007, for tax years ending after that date.  
4 43 3. The section of this Act enacting section 422.9,  
4 44 subsection 9, applies retroactively to January 1,  
4 45 2009, for tax years beginning in the 2009 calendar  
4 46 year.  
4 47 Sec. \_\_\_\_\_. EFFECTIVE DATE. This division of this  
4 48 Act, being deemed of immediate importance, takes  
4 49 effect upon enactment.>  
4 50 #3. Title page, line 1, by inserting after the  
5 1 word <to> the following: <taxation by providing for  
5 2 Internal Revenue Code coupling and by providing for>.  
5 3 #4. Title page, line 5, by inserting after the  
5 4 word <affairs> the following: <and including  
5 5 effective and retroactive applicability date  
5 6 provisions>.  
5 7 #5. By renumbering as necessary.

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