

Senate File 295

H-1309

1 Amend the amendment, H-1308, to Senate File 295, as  
2 passed by the Senate, as follows:

3 1. Page 18, after line 49 by inserting:

4 <DIVISION  
5 TAXPAYERS TRUST FUND

6 Sec. \_\_\_\_\_. Section 8.54, subsection 5, Code 2013, is  
7 amended by striking the subsection.

8 Sec. \_\_\_\_\_. Section 8.55, subsection 2, Code 2013, is  
9 amended to read as follows:

10 2. The maximum balance of the fund is the amount  
11 equal to two and one-half percent of the adjusted  
12 revenue estimate for the fiscal year. If the amount of  
13 moneys in the Iowa economic emergency fund is equal to  
14 the maximum balance, moneys in excess of this amount  
15 shall be distributed as follows:

16 ~~a. The first sixty million dollars of the~~  
17 ~~difference between the actual net revenue for the~~  
18 ~~general fund of the state for the fiscal year and the~~  
19 ~~adjusted revenue estimate for the fiscal year shall be~~  
20 ~~transferred to the taxpayers trust fund.~~

21 ~~b. The remainder of the excess, if any, shall be~~  
22 ~~transferred to the general fund of the state.~~

23 Sec. \_\_\_\_\_. Section 8.57E, subsection 2, Code 2013,  
24 is amended to read as follows:

25 2. Moneys in the taxpayers trust fund shall only  
26 be used pursuant to appropriations or transfers made  
27 by the general assembly for tax relief. During each  
28 fiscal year beginning on or after July 1, 2014, in  
29 which the balance of the taxpayers trust fund equals or  
30 exceeds thirty million dollars, there is transferred  
31 from the taxpayers trust fund to the Iowa taxpayers  
32 trust fund tax credit fund created in section 422.11E,  
33 the entire balance of the taxpayers trust fund to be  
34 used for the Iowa taxpayers trust fund tax credit in  
35 accordance with section 422.11E, subsection 5.

36 Sec. \_\_\_\_\_. Section 8.58, Code 2013, is amended to  
37 read as follows:

38 **8.58 Exemption from automatic application.**

39 ~~1. To the extent that moneys appropriated under~~  
40 ~~section 8.57 do not result in moneys being credited~~  
41 ~~to the general fund under section 8.55, subsection 2,~~  
42 ~~moneys~~ Moneys ~~appropriated under~~ in section 8.57 and  
43 moneys contained in the cash reserve fund, rebuild  
44 Iowa infrastructure fund, environment first fund, Iowa  
45 economic emergency fund, and taxpayers trust fund shall  
46 not be considered in the application of any formula,  
47 index, or other statutory triggering mechanism which  
48 would affect appropriations, payments, or taxation  
49 rates, contrary provisions of the Code notwithstanding.

50 2. ~~To the extent that moneys appropriated under~~

1 ~~section 8.57 do not result in moneys being credited~~  
2 ~~to the general fund under section 8.55, subsection 2,~~  
3 ~~moneys~~ Moneys appropriated under in section 8.57 and  
4 moneys contained in the cash reserve fund, rebuild  
5 Iowa infrastructure fund, environment first fund, Iowa  
6 economic emergency fund, and taxpayers trust fund shall  
7 not be considered by an arbitrator or in negotiations  
8 under chapter 20.

9 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
10 of this Act, being deemed of immediate importance,  
11 takes effect upon enactment.

12 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. This division  
13 of this Act applies retroactively to July 1, 2012, to  
14 moneys attributed to fiscal years beginning on or after  
15 July 1, 2012.

16 DIVISION \_\_\_\_\_

17 IOWA TAXPAYERS TRUST FUND TAX CREDIT

18 Sec. \_\_\_\_\_. TAXPAYERS TRUST FUND — IOWA TAXPAYERS  
19 TRUST FUND TAX CREDIT TRANSFER. During the fiscal  
20 year beginning July 1, 2013, there is transferred from  
21 the taxpayers trust fund created in section 8.57E to  
22 the Iowa taxpayers trust fund tax credit fund created  
23 in section 422.11E, an amount equal to the sum of  
24 the balance of the taxpayers trust fund as determined  
25 after the close of the fiscal year beginning July 1,  
26 2012, and ending June 30, 2013, including the amount  
27 transferred for that fiscal year to the taxpayers trust  
28 fund from the Iowa economic emergency fund created  
29 in section 8.55 in the fiscal year beginning July 1,  
30 2013, and ending June 30, 2014, to be used for the Iowa  
31 taxpayers trust fund tax credit in accordance with  
32 section 422.11E, subsection 5.

33 Sec. \_\_\_\_\_. Section 257.21, unnumbered paragraph 2,  
34 Code 2013, is amended to read as follows:

35 The instructional support income surtax shall be  
36 imposed on the state individual income tax for the  
37 calendar year during which the school's budget year  
38 begins, or for a taxpayer's fiscal year ending during  
39 the second half of that calendar year and after the  
40 date the board adopts a resolution to participate  
41 in the program or the first half of the succeeding  
42 calendar year, and shall be imposed on all individuals  
43 residing in the school district on the last day of  
44 the applicable tax year. As used in this section,  
45 "*state individual income tax*" means the taxes computed  
46 under section 422.5, less the amounts of nonrefundable  
47 credits allowed under chapter 422, division II, except  
48 for the Iowa taxpayers trust fund tax credit allowed  
49 under section 422.11E.

50 Sec. \_\_\_\_\_. NEW SECTION. 422.11E Iowa taxpayers

1 trust fund tax credit.

2 1. For purposes of this section, unless the context  
3 otherwise requires:

4 a. "Eligible individual" means, with respect to  
5 a tax year, an individual who makes and files an  
6 individual income tax return pursuant to section  
7 422.13. "Eligible individual" does not include  
8 an estate or trust, or an individual for whom an  
9 individual income tax return was not timely filed,  
10 including extensions.

11 b. "Unclaimed tax credit" means, with respect to  
12 a tax year, the aggregate amount by which the Iowa  
13 taxpayers trust fund tax credits that were eligible to  
14 be claimed by eligible individuals, if any, exceeds the  
15 Iowa taxpayers trust fund tax credits actually claimed  
16 by eligible individuals, if any.

17 2. The taxes imposed under this division, less the  
18 credits allowed under this division except the credits  
19 for withheld tax and estimated tax paid in section  
20 422.16, shall be reduced by an Iowa taxpayers trust  
21 fund tax credit to an eligible individual for the tax  
22 year beginning January 1 immediately preceding July 1  
23 of any fiscal year during which a transfer, if any, is  
24 made from the taxpayers trust fund in section 8.57E to  
25 the Iowa taxpayers trust fund tax credit fund created  
26 in this section.

27 3. The credit shall be equal to the quotient of  
28 the amount transferred to the Iowa taxpayers trust  
29 fund tax credit fund in the applicable fiscal year,  
30 divided by the number of eligible individuals for the  
31 tax year immediately preceding the tax year for which  
32 the credit in this section is allowed, as determined  
33 by the director of revenue in accordance with this  
34 section, rounded down to the nearest whole dollar. The  
35 department of revenue shall draft the income tax form  
36 for any tax year in which a credit will be allowed  
37 under this section to provide the information and space  
38 necessary for eligible individuals to claim the credit.

39 4. Any credit in excess of the taxpayer's liability  
40 for the tax year is not refundable and shall not be  
41 credited to the tax liability for any following year  
42 or carried back to a tax year prior to the tax year in  
43 which the taxpayer claims the credit.

44 5. a. There is established within the state  
45 treasury under the control of the department an Iowa  
46 taxpayers trust fund tax credit fund consisting of any  
47 moneys transferred by the general assembly by law from  
48 the taxpayers trust fund created in section 8.57E for  
49 purposes of the credit provided in this section. For  
50 the fiscal year beginning July 1, 2013, and for each

1 fiscal year thereafter, the department shall transfer  
2 from the Iowa taxpayers trust fund tax credit fund  
3 to the general fund of the state, the lesser of the  
4 balance of the Iowa taxpayers trust fund tax credit  
5 fund or an amount of money equal to the Iowa taxpayers  
6 trust fund tax credits claimed in that fiscal year, if  
7 any. Any moneys in the Iowa taxpayers trust fund tax  
8 credit fund which represent unclaimed tax credits shall  
9 immediately revert to the taxpayers trust fund created  
10 in section 8.57E. Interest or earnings on moneys in  
11 the Iowa taxpayers trust fund tax credit fund shall be  
12 credited to the taxpayers trust fund created in section  
13 8.57E.

14 b. The moneys transferred to the general fund of  
15 the state in accordance with this subsection shall not  
16 be considered new revenues for purposes of the state  
17 general fund expenditure limitation under section 8.54  
18 but instead as replacement of a like amount included in  
19 the expenditure limitation for the fiscal year in which  
20 the transfer is made.

21 Sec. \_\_\_\_\_. Section 422D.2, Code 2013, is amended to  
22 read as follows:

23 **422D.2 Local income surtax.**

24 A county may impose by ordinance a local income  
25 surtax as provided in section 422D.1 at the rate set  
26 by the board of supervisors, of up to one percent,  
27 on the state individual income tax of each individual  
28 residing in the county at the end of the individual's  
29 applicable tax year. However, the cumulative total of  
30 the percents of income surtax imposed on any taxpayer  
31 in the county shall not exceed twenty percent. The  
32 reason for imposing the surtax and the amount needed  
33 shall be set out in the ordinance. The surtax rate  
34 shall be set to raise only the amount needed. For  
35 purposes of this section, "*state individual income tax*"  
36 means the tax computed under section 422.5, less the  
37 amounts of nonrefundable credits allowed under chapter  
38 422, division II, except for the Iowa taxpayers trust  
39 fund tax credit allowed under section 422.11E.

40 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
41 of this Act, being deemed of immediate importance,  
42 takes effect upon enactment.

43 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. This division  
44 of this Act applies retroactively to January 1, 2013,  
45 for tax years beginning on or after that date.>

46 2. Page 19, line 8, after <property,> by inserting  
47 <modifying provisions relating to the taxpayers trust  
48 fund, providing a taxpayers trust fund tax credit,>

49 3. By renumbering, redesignating, and correcting  
50 internal references as necessary.

COWNIE of Polk

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