

House File 2595

H-8160

1 Amend House File 2595 as follows:

2 1. Page 1, before line 1 by inserting:

3 <DIVISION I

4 CHILD CARE FACILITIES>

5 2. Page 9, line 11, after <This> by inserting <division of
6 this>

7 3. Page 9, after line 13 by inserting:

8 <DIVISION II

9 ADDITIONAL PERSONAL EXEMPTION CREDIT

10 Sec. _____. NEW SECTION. 422.10C Additional personal
11 exemption credit — child.

12 1. The taxes imposed under this division less the credits
13 allowed under this division, except for the credits for
14 withheld tax and estimated tax paid in section 422.16, shall
15 be reduced by an additional personal exemption credit in the
16 amount of two hundred fifty dollars for each dependent, and
17 shall not exceed five hundred dollars in the aggregate.

18 2. The additional personal exemption credit shall be
19 added to any personal exemption claimed under section 422.12,
20 subsection 2.

21 3. A taxpayer is only eligible to claim the additional
22 personal exemption credit if the taxpayer has earned income.
23 Married taxpayers who file separate returns or file separately
24 on a combined return form must allocate the personal income
25 credit to a spouse with the earned income in order to be
26 eligible to claim the credit.

27 4. A taxpayer shall be ineligible to claim the additional
28 personal exemption credit if the taxpayer claims either the
29 child and dependent care or early childhood development tax
30 credit under section 422.12C.

31 5. Any credit in excess of the tax liability is refundable.
32 However, for nonresidents or part-year residents, the amount of
33 the credit in excess of the tax liability that may be refunded
34 shall be in the ratio of their Iowa source net income to their
35 all source net income under rules prescribed by the director.

1 6. For purposes of this section, "*dependent*" has the same
2 meaning as provided by the Internal Revenue Code, except the
3 dependent must be under the age of seven at the end of the tax
4 year.

5 Sec. _____. EFFECTIVE DATE. This division of this Act takes
6 effect January 1, 2021.

7 Sec. _____. APPLICABILITY. This division of this Act applies
8 to tax years beginning on or after January 1, 2021.>

9 4. Title page, by striking lines 1 through 5 and inserting
10 <An Act relating to tax credits and sales and use tax refunds
11 for the construction of child care facilities, adding an
12 additional personal exemption credit against the individual
13 income tax for a child, and including effective date and
14 applicability provisions.>

15 5. By renumbering as necessary.

GASSMAN of Winnebago