

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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HF 186 – Internal Revenue Code (IRC) Update Bill (LSB 1214HV)  
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Fiscal Note Version - New

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**Description**

House File 186 updates Iowa's tax laws to incorporate federal Internal Revenue Code (IRC) changes made by Congress in 2003, 2004, and 2005. Specific federal legislation addressed by the estimate includes:

- The Jobs and Growth Relief Reconciliation Act of 2003 (HR 2)
- The Military Family Tax Relief Act of 2003 (HR 3365)
- The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (HR 1)
- The Working Families Tax Relief Act of 2004 (HR 1308)
- The American Jobs Creation Act of 2004 (HR 4520)
- The Tsunami Relief Charitable Contribution Act of 2005 (HR 241)

The six federal Acts were determined to have a total of 179 provisions with potential impacts on Iowa revenue. Of the 179, the Department determined 78 provisions either increased or decreased General Fund revenue over the next ten fiscal years. The estimated fiscal impact is the net impact of all provisions for that year.

**Fiscal Impact**

House File 186 is projected to decrease net General Fund revenue by:

- FY 2005: \$ 9.3 million
- FY 2006: \$ 21.3 million
- FY 2007: \$ 19.5 million
- FY 2008: \$ 9.2 million
- FY 2009: \$ 1.4 million

**Source**

Department of Revenue

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/s/ Holly M. Lyons

February 9, 2005

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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