

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

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HF 102 - Bonus Depreciation and Expensing Changes (LSB 1394 HV)  
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Fiscal Note Version - New

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**Description**

House File 102 allows taxpayers an additional method to take advantage of depreciation allowances enacted in HF 2581 (Special Session Bonus Depreciation and Expensing Act of 2004). House File 102 allows taxpayers to include the additional depreciation as part of their tax return for the next tax year. Under HF 2581, the taxpayer was restricted to filing amended returns in order to receive the benefit.

**Fiscal Impact**

In determining the fiscal impact of HF 2581, it was assumed a percentage of eligible taxpayers would not file amended returns due to the expense of preparing and filing those returns. House File 102 should make it possible for those taxpayers to benefit from the depreciation changes. Therefore, the revenue reduction associated with the depreciation changes is projected to be somewhat higher than under HF 2581. House File 2581 was projected to reduce General Fund revenue by \$87.2 million over two fiscal years (FY 2005 and FY 2006). House File 102 is projected to increase the revenue reduction by:

- FY 2005 -- \$2.25 million
- FY 2006 -- \$1.25 million

**Source**

Department of Revenue

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January 25, 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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