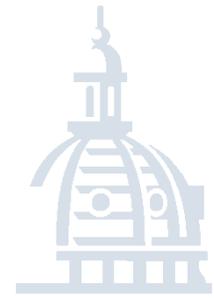


**EIGHTY-SIXTH GENERAL ASSEMBLY  
2015 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

FEBRUARY 17, 2015

No amendments filed - see attached Fiscal Notes



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**HF 124** – College Savings Iowa Contribution Deadline (LSB1498HV)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – New

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### **Description**

Under current law, contributions to the Iowa Educational Savings Plan Trust (College Savings Iowa) must be made by December 31 to be deducted from Iowa income for that tax year.

**House File 124** extends the contribution deadline through the filing deadline (April 30) for the income tax return. The change applies retroactively to January 1, 2015 (tax year 2015).

### **Background**

Qualified contributions to a College Savings Iowa account are deductible from Iowa taxed income up to an annual limit. That limit is adjusted each year for inflation.

### **Assumptions**

- Extending the contribution deadline will allow individuals to make contributions between December 31 and April 30 and deduct the contribution amount from their State income for the tax year that ended December 31.
- Fiscal impact scenarios:
  - Item A - Under current law, taxpayers that miss the contribution deadline but otherwise would have made the contribution for that year, may effectively lose one year of contribution availability and therefore, one year of the deduction. Missing the deadline for the most part will only impact taxpayers that make the maximum annual tax deductible contribution, as taxpayers that make lesser donations may receive the same deduction benefit by just increasing the contribution the next year.
  - Item B - With passage of the contribution extension in the Bill, taxpayers that do not make the maximum deductible donation in a calendar year will have an additional four months to make contributions towards the previous year's deductible limit. This will only have a fiscal impact in the first year (tax year 2015), as the extension does not necessarily increase the contributions made over their years of participation in the program.
- For this Fiscal Note, the impact of Item A above is assumed to equal 1.5% of the General Fund revenue impact of the current program. The impact of Item A is annual. For Item B, the assumed impact is equal to 5.0% of the General Fund revenue impact of the current program. Since Item B represents contribution dollars that are moved forward one tax year, this impact only applies to tax year 2015 contributions.
- The 2010 Tax Expenditure Study issued by the Iowa Department of Revenue estimates that the Iowa College Savings impact on the State General Fund of the deductible contributions is \$7.5 million per year. For this Fiscal Note, annual tax deductible contributions are estimated to increase 6.5% for tax year 2015 and 1.5% for following fiscal years.
- Contributions for tax year 2015 will first impact the General Fund in FY 2016.

**Fiscal Impact**

The extended contribution time frame is expected to reduce net General Fund revenue by \$488,000 in FY 2016 and \$112,000 in future fiscal years.

The change will also have a minor negative impact on the local option income surtax for schools.

**Source**

Iowa Department of Revenue 2010 Tax Expenditure Study

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/s/ Holly M. Lyons

February 16, 2015

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.  
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**HF 202** – Dentist License, Retired Volunteers (LSB1433HV)  
Analyst: Kenneth Ohms (Phone: (515) 725-2200) ([kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov))  
Fiscal Note Version – New

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**Description**

**House File 202** creates a retired volunteer license for dentists and dental hygienists that have retired within the last five years. The license is to be issued free of charge. The retired volunteer licensee is prohibited from charging a fee or otherwise receiving compensation for services rendered.

**Background**

The Retired Volunteer Dentist License is designed for dentists and dental hygienists that are retired from active practice and wish to donate their time and expertise for the dental care and treatment of indigent and underserved persons in the State, such as the [Iowa Mission of Mercy](#) sponsored by the Iowa Dental Association.

The annual fee to renew a dental license is \$315. The annual fee to renew a dental hygienists license is \$150. Iowa Code section [147.80](#) requires all licensing boards to establish fees by rule based on the costs of sustaining the board and the actual costs of the services performed.

**Assumptions**

- The retired volunteer license is free to licensees.
- The Dental Board will need to update their license tracking software to add these two license types.
- Of the dentists and dental hygienists over age 65, 20.0% will not renew their license and switch to the retired volunteer license.

**Fiscal Impact**

There is no impact to the General Fund.

The cost to the Dental Board for updating their licensure software is estimated at \$90,000. Additionally, the Board will see decreased licensing revenue of \$9,000 annually. The Board will need to raise license rates temporarily or permanently to pay for the system updates.

**Source**

Iowa Dental Board

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/s/ Holly M. Lyons

February 16, 2015



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**HF 193** – Hearing Specialists and Medical Residency Program (LSB1222HV)  
Analyst: Kenneth Ohms (Phone: (515) 725-2200) ([kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov))  
Fiscal Note Version – New

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**Description**

**House File 193** does the following:

- Division I: Changes “hearing aid dispensers” to “hearing aid specialists.”
- Division II: Re-enacts the Medical Residency Training State Matching Grant Program.
- Division III: Amends the Medical Residency Training State Matching Grant Program to:
  - Permit applicants to have budgeted matching dollars and not have them reserved.
  - Increase the match for new medical residency programs from 25.0% to 100.0%.
  - Increase the cap for awards to new medical residency programs to 50.0% of all available funds and decrease the maximum cap award to 25.0% of funds for all other recipients.

**Background**

The Medical Residency Training State Matching Grant Program was scheduled to sunset on June 30, 2014. The Public Health Programs and Services Act (2014 Iowa Acts chapter [1106](#)) extended this sunset, but did not include an effective on enactment date provision, and therefore was not enacted until July 1, 2014.

The Program as originally enacted permits award limits of 25.0% of all funding available, unless less than 95.0% of funds were awarded. Then up to 95.0% of all funds available could be awarded to one or multiple awardees.

**Assumptions**

- There is currently \$2.0 million unobligated in the Medical Residency Training Account created in Iowa Code section [135.175](#).
- Any award maximum is subject to the funding of the Program.

**Fiscal Impact**

There is no impact to the General Fund.

Divisions I and II: No fiscal impact.

Division III: Under the new award caps, an eligible new medical residency program could increase the maximum award from \$500,000 to \$1.0 million. Any programs expanding medical residency slots or programs in excess of the federal residency capacity are limited to \$500,000 and not eligible for any additional funds if less than 95.0% of all funds are awarded.

**Source**

Iowa Department of Public Health

/s/ Holly M. Lyons

February 16, 2015