



OFFICE OF THE GOVERNOR

THOMAS J. VILSACK
GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

April 13, 2005

The Honorable Chester Culver
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit:

House File 186, an Act updating the code references to the Internal Revenue Code and including retroactive applicability and effective date provisions.

House File 187, an Act relating to the Utility Replacement Task Force.

House File 332, an Act allowing certain abstractors to request a mortgage release.

House File 373, an Act relating to equipment dealerships, by providing for the sale or transfer of a dealership and providing for the Act's applicability.

The above House Files are hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Vilsack".

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 186

AN ACT

UPDATING THE CODE REFERENCES TO THE INTERNAL REVENUE CODE AND INCLUDING RETROACTIVE APPLICABILITY AND EFFECTIVE DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 15.335, subsection 4, unnumbered paragraph 2, Code 2005, is amended to read as follows:

For purposes of this section, "Internal Revenue Code" means the Internal Revenue Code in effect on January ~~±~~ 31, 2004 2005.

Sec. 2. Section 15A.9, subsection 8, paragraph e, unnumbered paragraph 2, Code 2005, is amended to read as follows:

For purposes of this subsection, "Internal Revenue Code" means the Internal Revenue Code in effect on January ~~±~~ 31, 2004 2005.

Sec. 3. Section 422.3, subsection 5, Code 2005, is amended to read as follows:

5. "Internal Revenue Code" means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including January ~~±~~ 31, 2003, ~~and as amended by Pub. L. No. 108-277, section 202, whichever is applicable~~ 2005.

Sec. 4. Section 422.7, subsections 41 and 43, Code 2005, are amended by striking the subsections.

Sec. 5. Section 422.9, subsection 2, paragraph k, Code 2005, is amended by striking the paragraph and inserting in lieu thereof the following:

k. The deduction for state sales and use taxes is allowable only if the taxpayer elected to deduct the state sales and use taxes in lieu of state income taxes under section 164 of the Internal Revenue Code. A deduction for state sales and use taxes is not allowed if the taxpayer has taken the deduction for state income taxes or claimed the standard deduction under section 63 of the Internal Revenue Code. This paragraph applies to taxable years beginning after December 31, 2003, and before January 1, 2006.

Sec. 6. Section 422.10, subsection 3, unnumbered paragraph 2, Code 2005, is amended to read as follows:

For purposes of this section, "Internal Revenue Code" means the Internal Revenue Code in effect on January ~~± 31, 2004~~ 2005.

Sec. 7. Section 422.32, subsection 7, Code 2005, is amended to read as follows:

7. "Internal Revenue Code" means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including January ~~± 31, 2003, and as amended by Pub. L. No. ±08-27, section 202, whichever is applicable~~ 2005.

Sec. 8. Section 422.33, subsection 5, paragraph d, unnumbered paragraph 2, Code 2005, is amended to read as follows:

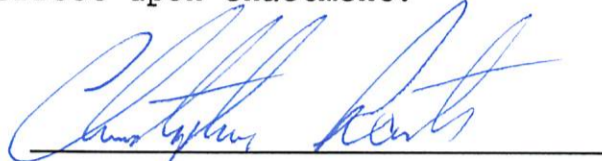
For purposes of this subsection, "Internal Revenue Code" means the Internal Revenue Code in effect on January ~~± 31, 2004~~ 2005.

Sec. 9. Section 422.35, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 20. Subtract the amount of foreign dividend income, including subpart F income as defined in section 952 of the Internal Revenue Code, based upon the percentage of ownership as set forth in section 243 of the Internal Revenue Code.

Sec. 10. RETROACTIVE APPLICABILITY. This Act applies retroactively to January 1, 2003, for tax years beginning on or after that date.

Sec. 11. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.



CHRISTOPHER C. RANTS
Speaker of the House



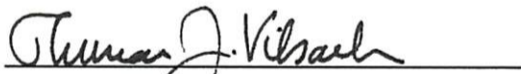
JOHN P. KIBBIE
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 186, Eighty-first General Assembly.



MARGARET THOMSON
Chief Clerk of the House

Approved April 13, 2005



THOMAS J. VILSACK
Governor