

House File 2649 - Enrolled

House File 2649

AN ACT

EXCLUDING THE NET CAPITAL GAIN FROM THE SALE OF CERTAIN
LIVESTOCK FROM THE COMPUTATION OF NET INCOME FOR PURPOSES
OF THE INDIVIDUAL INCOME TAX, AND INCLUDING RETROACTIVE
APPLICABILITY PROVISIONS.

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

Section 1. Section 422.7, Code 2024, is amended by adding
the following new subsection:

NEW SUBSECTION. 44. *a.* For purposes of this subsection,
"held" shall be determined with reference to the holding period
provisions of section 1223 of the Internal Revenue Code and the
federal regulations pursuant thereto.

b. Subtract the net capital gain from the following:

(1) The sale of cattle or horses held by the taxpayer for
breeding, draft, dairy, or sporting purposes for a period
of twenty-four months or more from the date of acquisition,
but only if the taxpayer received more than one-half of the
taxpayer's gross income from farming or ranching operations
during the tax year.

(2) The sale of breeding livestock, other than cattle or
horses, held by the taxpayer for a period of twelve months or
more from the date of acquisition, but only if the taxpayer
received more than one-half of the taxpayer's gross income from
farming or ranching operations during the tax year.

c. A retired farmer as defined in subsection 13 is not
eligible for the exclusion in this subsection if taking the

exclusion allowed in subsection 13, paragraph "c" or "d", in the same tax year.

Sec. 2. RETROACTIVE APPLICABILITY. This Act applies retroactively to January 1, 2023, for tax years beginning on or after that date.

PAT GRASSLEY
Speaker of the House

AMY SINCLAIR
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2649, Ninetieth General Assembly.

MEGHAN NELSON
Chief Clerk of the House

Approved _____, 2024

KIM REYNOLDS
Governor