

February 24, 1961.
Passed on File.

House File 484
By O'TOOLE and DUFFY.

Passed House, Date.....4-27-61.....

Passed Senate, Date.....5-2-61.....

Vote: Ayes.....93..... Nays 1.....

Vote: Ayes.....44..... Nays 0.....

Approved.....

A BILL FOR

An Act relating to the computation of net income for Iowa income tax purposes and authorizing the deduction of certain installment annuity payments.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 Section 1. Section four hundred twenty-two point
- 2 seven (422.7), Code 1958, is hereby amended by adding
- 3 thereto the following subsection:
- 4 "Subtract installment payments received by a benefi-
- 5 ciary under an annuity which was purchased under an
- 6 employee's pension or retirement plan when the commuted
- 7 value of said installments has been included as a part
- 8 of the decedent employee's estate for Iowa inheritance
- 9 tax purposes."

EXPLANATION OF HOUSE FILE 484

This is related to House File 268. Both bills have for their purpose the elimination of double taxation with reference to installment payments on employee's pension and retirement plans. House File 268 eliminates any Iowa inheritance tax on such payments and permits the collection of an income tax. However, some estates have already paid an Iowa inheritance tax on such annuity payments and in such instances it is unfair to levy an income tax on the beneficiaries who receive said installment payments. This act gives relief in such instances.

