

MAR 1 1972

Ways and Means Calendar

HOUSE FILE **1283**

By COMMITTEE ON WAYS AND MEANS

Passed House, Date 3-7-72 Passed Senate, Date 3-21-72
 Vote: Ayes 93 Nays 0 Vote: Ayes 47 Nays 1
 Approved _____

A BILL FOR

1 An Act relating to income tax of nonresidents.

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

3 Section 1. Section four hundred twenty-two point eight
 4 (422.8), subsection two (2), Code 1971, is amended to read
 5 as follows:

6 2. In the case of nonresident taxpayers, if any net income
 7 is received from a business, trade, profession, or occupation
 8 carried on partly within and partly without the state of Iowa,
 9 only ~~such~~ the portion of said net income as is fairly and
 10 equitably attributable to that part of the business, trade,
 11 profession, or occupation carried on within the state of Iowa
 12 shall be allocated to Iowa; and income from any property,
 13 trust, estate or other source within Iowa shall be allocated
 14 to Iowa, except that annuities, interest on bank deposits and
 15 interest-bearing obligations, and dividends shall be allocated
 16 to Iowa only to the extent to which ~~the same~~ they are derived
 17 from a business, trade, profession, or occupation carried on
 18 within the state of Iowa.

19 However, income received by an individual who is a resident
 20 of another state shall not be allocated to Iowa if the income is
 21 subject to an income tax imposed by the state where the individ-
 22 ual resides, and if the state of residence allows a similar
 23 exclusion for income received in that state by residents of Iowa.

24 The director shall designate the states which allow a
 25 similar exclusion for income received by residents of Iowa,

1 and may enter into agreements with other states to provide
2 that similar exclusions will be allowed.

3 EXPLANATION

4 This bill provides that a nonresident's income attributable
5 to a business, trade, profession or occupation carried on with-
6 in the state of Iowa will not be taxed by Iowa if the state of
7 residence of the nonresident allows a similar exclusion for
8 income earned in that state by Iowa residents.

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11 1 Amend House File 1283, page 2, line 2, by insert-
12 2 ing after the word "allowed" the words ", and to
13 3 provide suitable withholding requirements in each
14 4 state, in order to implement the exclusions".

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Filed
March 6, 1972 *adapted 3/7*

By CAMP of Clinton
SHAW of Scott
MENDENHALL of Allamakee

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