

House Ways & Means - Do pass per 3050
2/16 (409)

FILED FEB 3 1977

SENATE FILE 61

By COMMITTEE ON WAYS AND MEANS ^{Do Pass} 2/3 (267)

Passed Senate, Date 2-11-77 (338) Passed House, Date 2-24-77 (489)

Vote: Ayes 40 Nays 8 Vote: Ayes 54 Nays 42

Approved March 14, 1977

*Repassed Senate as amended by House
3-3-77 (p. 518)
34-6*

A BILL FOR

1 An Act providing for the taxation of active duty military
2 income of Iowa residents and making the Act retroactive.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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Proof of publication 3/29/77 (page 841)

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S-3074

- 1 Amend Senate File 61 as follows:
- 2 1. Page 1, line 9 by striking the figure "1977" (DIV.
- 3 and inserting in lieu thereof the figure "1978". A
- 4 2. Page 1, line 11 by striking the figure "1977" LOST)
- 5 and inserting in lieu thereof the figure "1978".
- 6 3. Page 1, line 12 by striking the figure "1977"
- 7 and inserting in lieu thereof the figure "1978".
- 8 4. Page 1 by inserting after line 13: (DIV.
- 9 "Sec. 3. The Director of Revenue shall notify the C
- 10 residents of Iowa affected by this Act. This notice LOST)
- 11 shall contain an explanation of this Act's effect on
- 12 those residents."
- 13 5. Page 1 by striking lines 14 through 18. (DIV.B

WITHDRAWN)

1 Section 1. Section four hundred twenty-two point five
2 (422.5), unnumbered paragraph three (3), Code 1977, is amended
3 to read as follows:

4 A resident of Iowa who is on active duty in the armed
5 forces of the United States, as defined in Title 10, United
6 States Code, section 101, for more than six continuous months,
7 shall not include any income received for such service
8 performed on or after January 1, 1969, or prior to January
9 1, 1977, in computing the tax imposed by this section.

10 Sec. 2. The provisions of this Act shall be effective
11 to January 1, 1977, for tax years beginning on or after January
12 1, 1977, and to this extent the provisions of this Act are
13 retroactive.

14 Sec. 3. This Act, being deemed of immediate importance,
15 shall take effect and be in force from and after its publica-
16 tion in The Winterset ^{3/16/77} Madisonian, a newspaper published in
17 Winterset, Iowa, and in The Decorah Journal, a newspaper
18 published in Decorah, Iowa.

19 EXPLANATION

20 The bill subjects the income of Iowa residents who are
21 on active duty in the armed forces for more than six continuous
22 months to the state individual income tax.

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LSB 705S
bk/rh/8A

Senate File 61

FISCAL NOTE

Date Prepared February 2, 1977

Requested by: Senator Curtis

Prepared in regard to Senate File 61
~~LSB 7053~~, An Act providing for the taxation of
active duty military income of Iowa residents and making the Act retroactive.

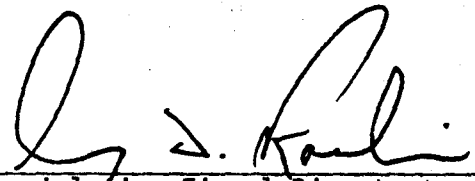
Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

Senate File 61
~~LSB 7053~~ subjects the income of Iowa residents who are on active duty in the armed forces for more than six continuous months to the state individual income tax.

Estimated Effects:

Number of taxpayers affected	30,000
Average income (1974)	\$9,000
Estimated revenue gain	\$6 to \$7 million

Source: Department of Revenue


Legislative Fiscal Director

House Amendment to Senate File 61

S-3107

1 Amend Senate File 61, as passed by the Senate as
2 follows:

3 1. Page 1, by inserting after line 9 the following:

4 "The taxes imposed under this Act shall be
5 terminated upon either of two conditions:

6 1. When universal compulsory military service
7 is reinstated by the United States Congress, or

8 2. When a state of war is declared to exist by
9 the United States Congress."

10 2. Page 1, line 10, by striking the word
11 "effective" and inserting in lieu thereof the word
12 "retroactive".

S-3107 FILED
FEBRUARY 28, 1977

RECEIVED FROM THE HOUSE

Senate concurred 2/3/77 (518)

H-3050

1 Amend Senate File 61, as passed by the Senate
2 as follows:
3 1. Page 1, by inserting after line 9 the
4 following:
5 "The taxes imposed under this Act shall be
6 terminated upon either of two conditions:
7 1. When compulsory military service is re-
8 instated by the United States Congress, or
9 2. When a state of war is declared to exist
10 by the United States Congress."

H-3050 FILED - *adopted as amended* BY 'COMMITTEE ON WAYS AND MEANS
FEBRUARY 17, 1977 *by 3091 2/24* NORLAND of Worth, Chair
(483)

H-3067

1 Amend amendment H-3050 to Senate File 61, as
2 passed by the Senate as follows:
3 1. Page 1, line 6, by striking the word "two"
4 and inserting in lieu thereof the word "three".
5 2. Page 1, by inserting after line 10 the follow-
6 ing:
7 "3. When police action or military involvement
8 is ordered by the President of the United States."

H-3067 FILED - *Lost (483)* BY SCHROEDER of Pottawattamie
FEBRUARY 23, 1977

H-3072

1 Amend Senate File 61 as follows:
2 1. Page 1, line 10, by striking the word
3 "effective" and inserting in lieu thereof the
4 word "retroactive".

H-3072 FILED. ADOPTED (488) BY MILLER of Buchanan
FEBRUARY 24, 1977

H-3073

1 Amend Senate File 61, as passed by the Senate,
2 page 1, line 9, by inserting after the word "section."
3 the words "For tax years beginning on or after January
4 1, 1977, a resident of this state who is on active
5 duty in the armed forces of the United States for
6 more than six continuous months shall not include
7 any income received for such service during the period
8 of the resident's original enlistment."

H-3073 FILED, LOST (487) BY WYCKOFF of Benton
FEBRUARY 24, 1977 HUSAK of Tama
BAKER of Buena Vista
DAGGETT of Adams
HARPER of Davis

H-3076

1 Amend SF 61, as passed by the Senate, as
2 follows:

3 1. Page 1, lines 8 and 9, by striking the
4 following, "or prior to January 1, 1977,".

5 2. Page 1, by inserting after line 9 the
6 following:

7 "However, the military income of active duty
8 military personnel maintaining a physical residence,
9 for themselves or for their dependents, or stationed
10 in this state, which income is received for service
11 on or after January 1, 1977, shall be included to
12 the extent permitted by the laws of the United States."

H-3076 FILED, LOST (485) BY BAKER of Buena Vista
FEBRUARY 24, 1977 CONLON of Muscatine
WYCKOFF of Benton
HUSAK of Tama
WULFF of Blackhawk

H-3079

1 Amend Senate File 61, as passed by the
2 Senate, as follows:

3 1. Page 1, line 9, by striking the figures
4 "1977" and inserting in lieu thereof the figures
5 "1978".

H-3079 FILED, LOST (486) BY BAKER Of Buena Vista
FEBRUARY 24, 1977 HANSEN of O'Brien

H-3081

1 Amend amendment H-3050, to Senate File 61,
2 as follows:

3 1. Page 1, line 7, by inserting after the
4 word "When" the word "universal".

H-3081 FILED, ADOPTED BY SCHNEKLOTH of Scott
BY UNANIMOUS CONSENT (483)
FEBRUARY 24, 1977

H-3086

1 Amend H-3073 to Senate File 61 as follows:

2 1. Page 1, line 8 by inserting after the
3 word "enlistment" the following: "or first
4 term of active duty as an officer, not to exceed
5 four years". (p. 487)

H-3086 FILED, ADOPTED BY WYCKOFF of Benton
BY UNANIMOUS CONSENT, FEBRUARY 24, 1977

Winterset, Iowa, and in The Decorah Journal, a newspaper published in Decorah, Iowa.

SENATE FILE 61

AN ACT

PROVIDING FOR THE TAXATION OF ACTIVE DUTY MILITARY INCOME OF IOWA RESIDENTS AND MAKING THE ACT RETROACTIVE.

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

Section 1. Section four hundred twenty-two point five (422.5), unnumbered paragraph three (3), Code 1977, is amended to read as follows:

A resident of Iowa who is on active duty in the armed forces of the United States, as defined in Title 10, United States Code, section 101, for more than six continuous months, shall not include any income received for such service performed on or after January 1, 1969, or prior to January 1, 1977, in computing the tax imposed by this section.

The taxes imposed under this Act shall be terminated upon either of two conditions:

1. When universal compulsory military service is reinstated by the United States Congress, or
2. When a state of war is declared to exist by the United States Congress.

Sec. 2. The provisions of this Act shall be retroactive to January 1, 1977, for tax years beginning on or after January 1, 1977, and to this extent the provisions of this Act are retroactive.

Sec. 3. This Act, being deemed of immediate importance, shall take effect and be in force from and after its publication in The Winterset Madisonian, a newspaper published in

ARTHUR A. NEU
President of the Senate

DALE M. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 61, Sixty-seventh General Assembly.

STEVEN C. CROSS
Secretary of the Senate

Approved *J* March 14, 1977

ROBERT D. RAY
Governor