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MAR 21 1979

HOUSE FILE 693

WAYS & MEANS CALENDAR

By COMMITTEE ON WAYS AND MEANS

(Formerly House File 544)

Passed House, Date 4-2-79 (A. 1287) Passed Senate, Date _____

Vote: Ayes 91 Nays 5 Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act providing for the deduction of the federal income
2 tax accrued for the tax year in computing the state
3 individual and corporate income tax for that tax year.

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

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693

1 Section 1. Section four hundred twenty-two point nine
2 (422.9), subsection two (2), paragraph b, Code 1979, is amended
3 to read as follows:

4 b. Add the amount of federal income taxes ~~paid-er~~ accrued
5 ~~as-the-ease-may-be,~~ during the tax year, adjusted by any
6 federal income tax refunds to the extent such refunds result
7 from a carry-back of a federal loss or tax credit to a prior
8 tax year. ~~Provided,-however,-that-where~~ Where married persons,
9 who have filed a joint federal income tax return, file
10 separately, ~~such~~ the total shall be divided between them
11 according to the portion therefore ~~paid-er~~ accrued, ~~-as-the~~
12 ~~ease-may-be,~~ by each.

13 In addition to the deduction and adjustment allowed under
14 paragraph b of this subsection, taxpayers who deducted federal
15 income taxes on a cash basis for tax years beginning prior
16 to January 1, 1980 shall deduct any additional federal income
17 taxes paid for tax years beginning prior to January 1, 1980
18 in the year of payment and shall add to Iowa income any refunds
19 or credits of federal income taxes paid for tax years beginning
20 prior to January 1, 1980 in the tax year the refund or credit
21 is received.

22 Sec. 2. Section four hundred twenty-two point thirty-five
23 (422.35), subsection four (4), Code 1979, is amended to read
24 as follows:

25 4. Subtract fifty percent of the federal income taxes
26 ~~paid-er~~ accrued, ~~-as-the-ease-may-be,~~ during the tax year,
27 adjusted by any federal income tax refunds to the extent such
28 refunds result from a carry-back of a federal loss or tax
29 credit to a prior tax year; and add the Iowa income tax
30 deducted in computing said taxable income.

31 In addition to the deduction and adjustment allowed under
32 this subsection, taxpayers that deducted federal income taxes
33 on a cash basis for tax years beginning prior to January 1,
34 1980 shall deduct any additional federal income taxes paid
35 for tax years beginning prior to January 1, 1980 in the year

1 of payment and shall add to Iowa income any refunds or credits
2 of federal income taxes paid for tax years beginning prior
3 to January 1, 1980 in the tax year the refund or credit is
4 received.

5 Sec. 3. This Act is effective January 1, 1980 for tax
6 years beginning on or after that date.

7 EXPLANATION

8 The bill provides that beginning with tax years beginning
9 on January 1, 1980 deduction will be allowed for the
10 individual's or corporation's federal tax liability for the
11 tax year for which the state return is being filed. This
12 deduction will be adjusted by refunds which result from a
13 carry-back of a federal loss or tax credit to a prior tax
14 year. Provision is made for the transitional period to allow
15 individuals and corporations who had refunds or paid additional
16 taxes for tax years beginning before the effective date of
17 this Act to adjust their federal tax liability by such refunds
18 or tax payments.

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FISCAL NOTE
HOUSE FILE 693 (Amend.H-3676)
Requested by Representative West
April 2, 1979

In compliance with a written request, there is hereby submitted a Fiscal Note for H.F. 693 (Amendment H-3676) pursuant to Joint Rule 16.

Amendment H-3676 to House File 693

This amendment provides for an individual income tax rebate. The rebate of 10% of an individual's 1978 income tax liability with the following limitations:

1. Minimum rebate of \$15, except if tax liability is less than \$15, the amount of the tax will be reimbursed.
2. Maximum reimbursement of \$250.

The cost of this proposal is estimated at \$50 million.

Source: Department of Revenue

FILED APRIL 2, 1979

GERRY D. RANKIN
Legislative Fiscal Bureau

1 Amend House File 693 as follows:

2 1. Page 1, line 16, by striking the figure "1980"
3 and inserting in lieu thereof the figure "1979".

4 2. Page 1, line 17, by striking the figure "1980"
5 and inserting in lieu thereof the figure "1979".

6 3. Page 1, line 20, by striking the figure "1980"
7 and inserting in lieu thereof the figure "1979".

8 4. Page 1, by inserting after line 21 the
9 following:

10 "However for the first tax year beginning on or
11 after January 1, 1979, and ending prior to December
12 31, 1980, in lieu of the deductions and adjustments
13 specified in paragraph b, taxpayers shall deduct the
14 larger of (1) the additional federal income taxes
15 paid during this tax year for tax years beginning
16 prior to January 1, 1979, adjusted by any federal
17 income tax refunds or credits received in this tax
18 year on federal income taxes paid for tax years
19 beginning prior to January 1, 1979, or (2) the accrued
20 federal income tax liability for this tax year adjusted
21 by any additional federal income taxes paid or refunds
22 or credits received in this tax year on federal income
23 taxes paid for tax years beginning prior to January
24 1, 1978."

25 5. Page 1, line 34, by striking the figure "1980"
26 and inserting in lieu thereof the figure "1979".

27 6. Page 1, line 35, by striking the figure "1980"
28 and inserting in lieu thereof the figure "1979".

29 7. Page 2, line 3, by striking the figure "1980"
30 and inserting in lieu thereof the figure "1979".

31 8. Page 2, by inserting after line 4 the following:

32 "However, for the first tax year beginning on or
33 after January 1, 1979, and ending prior to December
34 31, 1980, in lieu of the deductions and adjustments
35 related to federal income taxes specified in this
36 subsection, taxpayers shall deduct the larger of (1)
37 the additional federal income taxes paid during this
38 tax year for tax years beginning prior to January
39 1, 1979, adjusted by any federal income tax refunds
40 or credits received in this tax year on federal income
41 taxes paid for tax years beginning prior to January
42 1, 1979, or (2) the accrued federal income tax
43 liability for this tax year adjusted by any additional
44 federal income taxes paid or refunds or credits
45 received in this tax year on federal income taxes
46 paid for tax years beginning prior to January 1,
47 1978."

48 9. Page 2, line 5, by striking the figure "1980"
49 and inserting in lieu thereof the figure "1979".

50 10. Page 2, line 6, by inserting after the word

Page two

H-3626

1 "date" the words "and to that extent this Act is
2 retroactive".

3 11. Amend the title, line 3, by inserting after
4 the word "year" the words "and making the provisions
5 retroactive".



HOUSE CLIP SHEET

TUESDAY, APRIL 3, 1979

HOUSE FILE 693

H-3676

1 Amend the Conlon amendment, H-3626, to House File
2 693 as follows:

3 1. Page 1, by striking lines 2 through 50 and
4 inserting in lieu thereof the following:

5 "1. By striking everything after the enacting
6 clause and inserting in lieu thereof the following:

7 "Section 1. Except as otherwise provided in this
8 Act, each individual shall be treated as having made
9 an additional payment against the tax imposed by
10 division two (II) of chapter four hundred twenty-two
11 (422) of the Code, for a tax year beginning in 1978
12 in an amount as determined pursuant to section two
13 (2) of this Act.

14 Sec. 2. The amount treated as paid by the taxpayer
15 for the tax year beginning in 1978 by reason of this
16 Act shall be as follows:

17 1. The amount of the taxpayer's tax liability
18 to the extent the tax liability does not exceed fifteen
19 dollars.

20 2. Fifteen dollars, to the extent the taxpayer's
21 tax liability is greater than fifteen dollars but
22 less than one hundred fifty dollars.

23 3. Ten percent of the taxpayer's liability to
24 the extent the tax liability is one hundred fifty
25 dollars or more, but in no event shall the tax
26 payment exceed two hundred fifty dollars.

27 Sec. 3. For purposes of this Act, the tax liability
28 for the tax year beginning in 1978 shall be the tax
29 imposed by division two (II) of chapter four hundred
30 twenty-two (422) of the Code, for that year, reduced
31 by the sum of the credits allowable under section
32 four hundred twenty-two point twelve (422.12) of the
33 Code for that year. A husband and wife shall be
34 considered one taxpayer and the amount of the rebate
35 shall be determined on the basis of the combined tax
36 liability of the husband and wife.

37 Sec. 4. The payment provided by this Act shall
38 be deemed made on the last date prescribed by law
39 for the filing of the returns of tax in section four
40 hundred twenty-two point twenty-one (422.21) of the
41 Code for the tax year beginning in 1978, including
42 any extensions thereof. A payment shall not be deemed
43 to have been made unless the return is filed on or
44 before the due date or the extended due date.

45 Sec. 5. A payment of tax deemed made under this
46 Act by an individual for a tax year beginning in 1978,
47 shall be considered an overpayment and shall be
48 credited by the department against any tax due under
49 chapter four hundred twenty-two (422) of the Code
50 from the person who made the overpayment or, if no

Page two
H-3676

1 such tax is due, the amount shall be refunded by the
2 department. Any payment of tax of one dollar or less
3 shall be subject to the provisions for refunding
4 contained in section four hundred twenty-two point
5 sixteen (422.16), subsection eleven (11), paragraph
6 e of the Code.

7 Sec. 6. A payment of tax deemed made under this
8 Act by an individual for a tax year beginning in 1978,
9 which is to be refunded under section five (5) of
10 this Act shall be refunded to the taxpayer. If the
11 refund is not made within one hundred twenty days
12 from the date of payment provided under section four
13 (4) of this Act, interest shall be paid at the rate
14 of three-fourths of one percent per month counting
15 each fraction of a month as an entire month. Interest
16 shall not be paid on returns improperly and incorrectly
17 prepared.

18 Sec. 7. The provisions of this Act shall not be
19 in effect after June 30, 1980.

20 Sec. 8. The director of revenue may adopt rules
21 pursuant to chapter seventeen A (17A) of the Code
22 to carry out the provisions of this Act.

23 Sec. 9. There is appropriated, out of any funds
24 in the general fund of the state not otherwise
25 appropriated, a sum sufficient to carry out the
26 provisions of this Act.

27 Sec. 10. The provisions of this Act shall not
28 be codified in the permanent Code but shall be printed
29 in the session laws only.

30 Sec. 11. This Act, being deemed of immediate
31 importance, shall take effect from and after its
32 publication in the Marshalltown Times-Republican,
33 a newspaper published in Marshalltown, Iowa, and in
34 the Muscatine Journal, a newspaper published in
35 Muscatine, Iowa."

36 2. Page 2, by striking lines 1 through 5.

37 3. Amend the title by striking everything after
38 the word "Act" and inserting in lieu thereof the words
39 "providing for an individual income tax rebate for
40 1978 taxes and making an appropriation."

H-3676 FILED
APRIL 2, 1979

Adopted 4/3 (p. 1282)

BY WEST of Marshall
THOMPSON of Polk
HALVORSON of Clayton
HARBOR of Mills
HANSEN of O'Brien
CLARK of Lee
SCHROEDER of Pottawattamie
CRABB of Crawford
POPE of Polk
HANSON of Delaware

SMALLEY of Polk
SWEARINGEN of Keokuk
RITSEMA of Sioux
HOLT of Clay
KIRKENSLAGER of Des Moines
STROMER of Hancock
VAN MAANEN of Mahaska
PELTON of Clinton
DE GROOT of Lyon
DANKER of Pottawattamie
HOFFMANN of Muscatine
COREY of Louisa
SCHNEKLOTH of Scott
JOHNSON of Woodbury
BENNETT of Ida
LORENZEN of Scott
CONLON of Muscatine
HIBBS of Johnson
TYRRELL of Iowa

JOHNSON of Linn
MULLINS of Kossuth
LURA of Marshall
DAGGETT of Taylor
PELLETT of Cass
SHIMANEK of Jones
BRANSTAD of Winnebago
EVANS of Grundy
LIND of Black Hawk
ANDERSON of Audubon
DIEMER of Black Hawk
SHULL of Warren
KREWSON of Polk
WELDEN of Hardin
MENKE of O'Brien
CLARK of Cerro Gordo
LARSEN of Wapello
MAULSBY of Calhoun
MC KEAN of Jones

HOUSE FILE 693

H-3693

- 1 Amend the West amendment, H-3676, to the Conlon
- 2 amendment, H-3626, to House File 693 as follows:
- 3 1. Page 2, by inserting after line 22 the following
- 4 new section:
- 5 "Sec. _____. The name of an elected official of
- 6 this state shall not appear on the rebate warrant,
- 7 the envelope in which the rebate warrant is placed,
- 8 or any other printed material which may be enclosed
- 9 in the envelope which is to be sent to a taxpayer."

H-3693 FILED *Motion to suspend* BY ARNOULD of Scott
APRIL 2, 1979 *under for consideration*

Amended
Amended

HOUSE FILE 693

H-3690

- 1 Amend the Conlon amendment, H-3626, to House File
2 693 as follows:
- 3 1. Page 2, by inserting after line 5 the following:
4 "1. By striking everything after the enacting
5 clause and inserting in lieu thereof the following:
6 "Section 1. Section four hundred twenty-two point
7 nine (422.9), subsection one (1), Code 1979, is amended
8 by striking the subsection and inserting in lieu
9 thereof the following:
- 10 1. An optional standard deduction of twenty percent
11 multiplied by the adjusted inflation factor of the
12 net income after deduction of federal income tax,
13 not to exceed one thousand dollars multiplied by the
14 adjusted inflation factor for a married person who
15 files separately, or two thousand dollars multiplied
16 by the adjusted inflation factor for a single person
17 or three thousand dollars multiplied by the adjusted
18 inflation factor for a husband and wife who file a
19 joint return or a surviving spouse as defined in
20 section two (2) of the Internal Revenue Code of 1954.
21 For purposes of this subsection, "adjusted inflation
22 factor" means the product of the annual inflation
23 factor for the twelve-month period ending on December
24 1, 1979 and all annual inflation factors for subsequent
25 twelve-month periods ending on December first as
26 determined pursuant to this subsection. The adjusted
27 inflation factor shall apply to all tax years beginning
28 on or after January first of the calendar year in
29 which the latest annual inflation factor has been
30 determined. For purposes of this subsection "annual
31 inflation factor" means an index, expressed as a
32 percentage, determined by the general assembly on
33 or before May first of each year to reflect the
34 purchasing power of the dollar as a result of inflation
35 or deflation during the preceding twelve-month period
36 ending on December first. In determining the annual
37 inflation factor, the general assembly shall use the
38 best statistics available for the preceding twelve-
39 month period ending on December first and the
40 statistics shall include, but not be limited to, the
41 monthly national and Des Moines area consumer price
42 indexes if available produced by the bureau of labor
43 statistics of the United States department of labor
44 and the commodity indexes published in "The Wall
45 Street Journal" by Dow Jones and Company.
- 46 Sec. 2. This Act is effective January first
47 following enactment for tax years beginning on or
48 after January first following enactment."
- 49 2. Page 1, by striking lines 2 through 50.
50 3. Page 2, by striking lines 1 through 5 and

HALVORSON of Webster
HORN of Linn
BYERLY of Polk
GETTINGS of Wapello
WALTER of Pottawattamie
SHERZAN of Polk
LLOYD-JONES of Johnson
JAY of Appanoose
HALL of Linn

CHIODO of Polk
JESSE of Polk
CONNORS of Polk
BRUNER of Story
JOCHUM of Dubuque
RAPP of Black Hawk
WELSH of Dubuque
MILLER of Buchanan
HUSAK of Tama

HOWELL of Floyd
GROTH of Buena Vista
DIELEMAN of Marion
SPEAR of Lee
HINKHOUSE of Cedar
BINNEBOESE of Plymouth
PATCHETT of Johnson
ARNOULD of Scott
BINA of Scott

HOUSE FILE 693

H-3692

- 1 Amend the West et al amendment, H-3676, to House
2 File 693 as follows:
3 1. Page 1, by striking lines 7 through 50 and
4 inserting in lieu thereof the following:
5 "Section 1. There is appropriated from the general
6 fund of the state for the fiscal biennium beginning
7 July 1, 1979 and ending June 30, 1981 to the "academic
8 revenue bond fund" hereby created in the office of
9 the treasurer of state the sum of thirty-nine million
10 six hundred thirty thousand (39,630,000) dollars.
11 Moneys credited to the academic revenue bond fund
12 shall be used to pay principal and interest on academic
13 revenue bonds of the board of regents at such time
14 that the interest and principal on the bonds become
15 due and payable. Annually, upon demand of the board
16 of regents, the treasurer of state shall transfer
17 moneys from the fund needed to pay principal and
18 interest due on the bonds and meeting bond reserve
19 fund requirements during that fiscal year. Moneys
20 deposited in the academic revenue bond fund under
21 the provisions of this section shall be invested by
22 the treasurer of state in the same manner as other
23 state moneys are invested and any interest earned
24 on these moneys shall be credited to the fund. Any
25 moneys remaining in the academic revenue bond fund
26 after June 30, 1998 shall revert to the general fund
27 of the state."
28 2. Page 2, by striking lines 1 through 36.
29 3. Page 2, lines 39 and 40, by striking the words
30 "providing for an individual income tax rebate for
31 1978 taxes and making an appropriation" and inserting
32 in lieu thereof the words "to establish an academic
33 revenue bond fund in the office of the treasurer of
34 state for retirement of academic revenue bonds and
35 making an appropriation".

HOUSE FILE 693

H-3691

1 Amend the Conlon amendment, H-3626, to House
2 File 693 as follows:

3 1. Page 1, by striking lines 2 through 50 and
4 inserting in lieu thereof the following:

5 "1. By striking everything after the enacting
6 clause and inserting in lieu thereof the following:

7 "Section 1. Section four hundred twenty-two
8 point five (422.5), subsections four (4) and five
9 (5), Code 1979, are amended to read as follows:

10 4. On the fourth thousand dollars of taxable in-
11 come, or any part thereof, ~~three-and-one-half~~ two
12 and three-fourths percent.

13 5. On the fifth, sixth, and seventh thousand dollars
14 of taxable income, or any part thereof, ~~five~~ four
15 and one-half percent.

16 Sec. 2. Section four hundred twenty-two point
17 nine (422.9), subsection one (1), Code 1979, is amended
18 by striking the subsection and inserting in lieu
19 thereof the following:

20 1. An optional standard deduction of twenty per-
21 cent multiplied by the adjusted inflation factor of
22 the net income after deduction of federal income tax,
23 not to exceed one thousand dollars multiplied by the
24 adjusted inflation factor for a married person who
25 files separately, or two thousand dollars multiplied
26 by the adjusted inflation factor for a single person
27 or three thousand dollars multiplied by the adjusted
28 inflation factor for a husband and wife who file a
29 joint return or a surviving spouse as defined in
30 section 2 of the Internal Revenue Code of 1954.
31 However, the standard deductions allowed under this
32 subsection shall not exceed the federal standard
33 deduction in any year. For purposes of this subsection,
34 "adjusted inflation factor" means the product of the
35 annual inflation factor for the twelve-month period
36 ending on December 1, 1979 and all annual inflation
37 factors for subsequent twelve-month periods ending
38 on December first as determined pursuant to this
39 subsection. The adjusted inflation factor shall
40 apply to all tax years beginning on or after January
41 first of the calendar year in which the latest annual
42 inflation factor has been determined. For purposes
43 of this subsection "annual inflation factor" means
44 an index, expressed as a percentage, determined by the
45 general assembly on or before May first of each year
46 to reflect the purchasing power of the dollar as a
47 result of inflation or deflation during the preceding
48 twelve-month period ending on December first. In de-
49 termining the annual inflation factor, the general
50 assembly shall use the best statistics available

1 for the preceding twelve-month period ending on
2 December first and the statistics shall include, but
3 not be limited to, the monthly national and Des Moines
4 area consumer price indexes if available produced by
5 the bureau of labor statistics of the United States
6 department of labor and the commodity indexes pub-
7 lished in "The Wall Street Journal" by Dow Jones
8 and Company.

9 Sec. 3. Section four hundred twenty-two point nine
10 (422.9), subsection two (2), paragraph b, Code 1979,
11 is amended to read as follows:

12 b. Add the amount of federal income taxes paid-or
13 accrued as-the-ease-may-be, during the tax year, adjusted
14 by any federal income tax refunds to the extent such
15 refunds result from a carry-back of a federal loss or
16 tax credit to a prior tax year. ~~Provided, however, that~~
17 where ~~Where~~ married persons, who have filed a joint
18 federal income tax return, file separately, ~~such the~~
19 total shall be divided between them according to the
20 portion therefore paid-or accrued, ~~as-the-ease-may-be,~~
21 by each.

22 In addition to the deduction and adjustment allowed
23 under paragraph b of this subsection, taxpayers who
24 deducted federal income taxes on a cash basis for
25 tax years beginning prior to January 1, 1979 shall deduct
26 any additional federal income taxes paid for tax years
27 beginning prior to January 1, 1979 in the year of payment
28 and shall add to Iowa income any refunds or credits of
29 federal income taxes paid for tax years beginning prior
30 to January 1, 1979 in the tax year the refund or credit
31 is received.

32 However, if the computation under the preceding para-
33 graph results in a deduction for the taxpayer for the tax
34 year for which the taxpayer is allowed a credit as pro-
35 vided for in sections five (5) through nine (9) of
36 this Act, the taxpayer shall subtract from the amount of
37 the deduction computed under the preceding paragraph an
38 amount, not to exceed the amount of such deduction, which
39 is equal to the amount of the taxpayer's income tax
40 liability, not to exceed two thousand five hundred dollars,
41 used to compute the credit as provided for in sections
42 five (5) through nine (9) of this Act.

43 Sec. 4. Section four hundred twenty-two point thirty-
44 five (422.35), subsection four (4), Code 1979, is amended
45 to read as follows:

46 4. Subtract fifty percent of the federal income taxes
47 paid-or accrued, ~~as-the-ease-may-be,~~ during the tax year,
48 adjusted by any federal income tax refunds to the extent
49 such refunds result from a carry-back of a federal loss or
50 tax credit to a prior tax year; and add the Iowa income

1 tax deducted in computing said taxable income.

2 However, for the first tax year beginning on or
3 after January 1, 1979, and ending prior to December
4 31, 1980, in lieu of the deductions and adjustments
5 related to federal income taxes specified in this
6 subsection, taxpayers shall deduct the larger of (1)
7 the additional federal income taxes paid during this
8 tax year for tax years beginning prior to January
9 1, 1979, adjusted by any federal income tax refunds
10 or credits received in this tax year on federal income
11 taxes paid for tax years beginning prior to January
12 1, 1979, or (2) the accrued federal income tax
13 liability for this tax year adjusted by any additional
14 federal income taxes paid or refunds or credits
15 received in this tax year on federal income taxes
16 paid for tax years beginning prior to January 1,
17 1978.

18 Sec. 5. Except as otherwise provided in sections
19 six (6) and seven (7) of this Act, each individual
20 shall be treated as having made an additional payment
21 against the tax imposed by division two (II) of chapter
22 four hundred twenty-two (422) of the Code, for a tax
23 year beginning in 1979 in an amount as determined
24 pursuant to section six (6) of this Act and the
25 additional payment shall be allowed as an additional
26 credit on tax returns filed in 1980 or 1981 for a tax
27 year beginning in 1979. The credit allowed under this
28 section shall be deducted after the credits allowed in
29 section four hundred twenty-two point twelve (422.12)
30 of the Code and if the credit allowed under this sec-
31 tion exceeds the tax liability of the taxpayer, the
32 additional amount of the credit shall be considered a
33 rebate.

34 Sec. 6. The amount treated as paid by the taxpayer
35 for the tax year beginning in 1979 by reason of sec-
36 tions five (5) through seven (7) of this Act shall be
37 as follows:

38 1. The amount of the taxpayer's tax liability to
39 the extent the tax liability does not exceed fifteen
40 dollars.

41 2. Fifteen dollars, to the extent the taxpayer's
42 tax liability is greater than fifteen dollars but
43 less than one hundred fifty dollars.

44 3. Ten percent of the taxpayer's liability to
45 the extent the tax liability is one hundred fifty
46 dollars or more, but in no event shall the tax
47 payment exceed two hundred fifty dollars.

48 Sec. 7. For purposes of sections five (5) through
49 seven (7) of this Act, the tax liability for the
50 tax year beginning in 1979 shall be the tax imposed

Page Four
H-3691

1 by division two (II) of chapter four hundred twenty-
 2 two (422) of the Code, for that year, reduced by the
 3 sum of the credits allowable under section four
 4 hundred twenty-two point twelve (422.12) of the
 5 Code for that year. A husband and wife shall be
 6 considered one taxpayer and the amount of the re-
 7bate shall be determined on the basis of the combined
 8 tax liability of the husband and wife.
 9 Sec. 8. The provisions of sections five (5)
 10 through seven (7) of this Act shall not be in effect
 11 after June 30, 1981.
 12 Sec. 9. The director of revenue may adopt rules
 13 pursuant to chapter seventeen A (17A) of the Code to
 14 carry out the provisions of sections five (5) through
 15 seven (7) of this Act.
 16 Sec. 10. The provisions of sections five (5)
 17 through nine (9) of this Act shall not be codified
 18 in the permanent Code but shall be printed in the
 19 session laws only.
 20 Sec. 11. This Act is retroactive to January 1,
 21 1979 for tax years beginning on or after that date."
 22 2. Page 2, by striking lines 1 through 5 and
 23 inserting in lieu thereof the following:
 24 "2. Amend the title, by striking everything
 25 after the word "Act" in line 1 and inserting in
 26 lieu thereof the words "relating to the individual
 27 and corporate income tax by adjusting tax rates,
 28 providing for the deduction of the federal income
 29 tax accrued for the tax year, indexing the standard
 30 deduction, allowing an additional credit in 1979
 31 taxes, making an appropriation and making the Act
 32 retroactive."

H-3691 FILED
APRIL 2, 1979

*Division to accept
 needs and accept
 2-2-53 4/2 (1280)
 Sent out of order
 4/2 (1280)*

BINA of Scott
 GETTINGS of Wapello
 WALTER of Pottawattamie
 SHERZAN of Polk
 LLOYD-JONES of Johnson
 CUSACK of Scott
 MILLER of Buchanan
 HUSAK of Tama
 PAVICH of Pottawattamie
 WELLS of Linn
 CONNOLLY of Dubuque
 HALVORSON of Webster
 HORN of Linn
 HULLINGER of Decatur
 O'KANE of Woodbury
 BRANDT of Black Hawk
 OXLEY of Linn
 JAY of Appanoose
 HALL of Linn

BY NORLAND of Worth
 AVENSON of Fayette
 DAVITT of Warren
 ANDERSON of Jasper
 COCHRAN of Webster
 DOYLE of Woodbury
 CHIODO of Polk
 JESSE of Polk
 CONNORS of Polk
 RAPP of Black Hawk
 BRUNER of Story
 JOCHUM of Dubuque
 WELSH of Dubuque
 HOWELL of Floyd
 GROTH of Buena Vista
 DIELEMAN of Marion
 SPEAR of Lee
 HINKHOUSE of Cedar
 BINNEBOESE of Plymouth
 PATCHETT of Johnson
 ARNOULD of Scott

HOUSE FILE 693

H-3694

1 Amend the Conlon amendment, H-3626, to House File
2 693 as follows:

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

4 "_____. Page 1, by inserting before line 1 the
5 following:

6 "Sec. _____. Section four hundred twenty-two point
7 four (422.4), Code 1979, is amended by adding the
8 following new subsection:

9 NEW SUBSECTION.

10 a. "Annual inflation factor" means an index,
11 expressed as a percentage, determined by the general
12 assembly on or before May first of each year to reflect
13 the purchasing power of the dollar as a result of
14 inflation or deflation during the preceding twelve-
15 month period ending on December first. In determining
16 the annual inflation factor, the general assembly
17 shall use the best statistics available for the
18 preceding twelve-month period ending on December first
19 and the statistics shall include, but not be limited
20 to, the monthly national and Des Moines area consumer
21 price indexes if available produced by the bureau
22 of labor statistics of the United States department
23 of labor and the commodity indexes published in "The
24 Wall Street Journal" by Dow Jones and Company.

25 b. "Adjusted inflation factor" means the product
26 of the annual inflation factor for the twelve-month
27 period ending on December 1, 1979 and all annual
28 inflation factors for subsequent twelve-month periods
29 ending on December first as determined pursuant to
30 this subsection. The adjusted inflation factor shall
31 apply to all tax years beginning on or after January
32 first of the calendar year in which the latest annual
33 inflation factor has been determined.

34 Sec. _____. Section four hundred twenty-two point
35 five (422.5), Code 1979, is amended by adding the
36 following new unnumbered paragraph:

37 NEW UNNUMBERED PARAGRAPH. Upon determination of
38 the latest adjusted inflation factor, the director
39 shall multiply each dollar amount, including those
40 expressed in the tax brackets, set forth in this
41 section by that adjusted inflation factor and shall
42 round off the resulting product to the nearest one
43 dollar.

3 44 _____ Page 1, line 2 by inserting after the figure
45 "(422.9)," the words and figure "subsection one (1)
46 and".

47 _____ Page 1, by inserting after line 3 the
48 following:

49 "1. An optional standard deduction of ten percent
50 of the net income after deduction of federal income

1 tax, not to exceed five hundred dollars multiplied
 2 by the adjusted inflation factor for a married person
 3 who files separately, or one thousand dollars
 4 multiplied by the adjusted inflation factor for a
 5 single person or a husband and wife who file a joint
 6 return.""

7 2. Page 1, by inserting after line 24 the
 8 following:

9 "Sec. ____ . Section four hundred twenty-two point
 10 thirteen (422.13), subsections one (1) and two (2),
 11 Code 1979, are amended to read as follows:

12 1. Every resident of Iowa who is required to file
 13 a federal income tax return under the Internal Revenue
 14 Code of 1954, or who has a net income of two thousand
 15 dollars multiplied by the adjusted inflation factor
 16 or more for the tax year from sources taxable under
 17 this division, shall make and sign a return.

18 2. Every nonresident who is required to file a
 19 federal income tax return under the Internal Revenue
 20 Code of 1954 and who has a net income of two thousand
 21 dollars multiplied by the adjusted inflation factor
 22 or more for the tax year from sources taxable under
 23 this division, shall make and sign a return.

24 Sec. ____ . Section four hundred twenty-two point
 25 fourteen (422.14), subsection one (1), Code 1979,
 26 is amended to read as follows:

27 1. Every fiduciary subject to taxation under the
 28 provisions of this division, as provided in section
 29 422.6, shall make and sign a return for the individual,
 30 estate or trust for whom or for which he or she acts,
 31 if the taxable income thereof amounts to six hundred
 32 dollars multiplied by the adjusted inflation factor
 33 or more. A nonresident fiduciary shall file a copy
 34 of the federal income tax return for the current tax
 35 year with the return required by this section.

36 Sec. ____ . Section four hundred twenty-two point
 37 twenty-one (422.21), Code 1979, is amended by adding
 38 the following new unnumbered paragraph:

39 NEW UNNUMBERED PARAGRAPH. The director shall
 40 compute the new dollar amounts as required in sections
 41 four hundred twenty-two point five (422.5), four
 42 hundred twenty-two point nine (422.9), four hundred
 43 twenty-two point thirteen (422.13) and four hundred
 44 twenty-two point fourteen (422.14) of the Code by
 45 multiplying the dollar amounts specified therein to
 46 be adjusted by the adjusted inflation factor, rounding
 47 off the result to the nearest one dollar, and
 48 incorporating the result into the income tax forms
 49 and instructions for each taxable year."

50 3. Page 2, line 4, by inserting after the word

Page Three

H-3694

1 "words" the words "and making changes in the state
 2 individual income tax by providing for an inflation
 3 factor to mitigate some of the effects of inflation".

4 4. By numbering and renumbering as required by
 5 this amendment.

See Ways Means 4/4
Do Pass 4/10 (p. 1175)

HOUSE FILE 693
By COMMITTEE ON WAYS AND MEANS

Appropriations 4/11 Do Pass 4/17 (p. 1295)

Passed House, Date 5-2-79 (p. 2005) Passed Senate, Date 4-23-79 (p. 1355)

Vote: Ayes 82 Nays 14 Vote: Ayes 40 Nays 8

Motion to reconsider (p. 2017) Approved May 22 1979
4/10 5/3 (p. 2051) Motion to reconsider (p. 1356) Lost 5/1 (1460)
Motion to reconsider 5/3 (p. 2061)
4/15 5/7 (p. 2112)

A BILL FOR

1 An Act providing for an individual income tax rebate for
2 1978 taxes and making an appropriation.

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

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1 Section 1. Except as otherwise provided in this Act, each
2 individual shall be treated as having made an additional pay-
3 ment against the tax imposed by division two (II) of chapter
4 four hundred twenty-two (422) of the Code, for a tax year
5 beginning in 1978 in an amount as determined pursuant to
6 section two (2) of this Act.

7 Sec. 2. The amount treated as paid by the taxpayer for
8 the tax year beginning in 1978 by reason of this Act shall
9 be as follows:

10 1. The amount of the taxpayer's tax liability to the ex-
11 tent the tax liability does not exceed fifteen dollars.

12 2. Fifteen dollars, to the extent the taxpayer's tax li-
13 ability is greater than fifteen dollars but less than one
14 hundred fifty dollars.

15 3. Ten percent of the taxpayer's liability to the extent
16 the tax liability is one hundred fifty dollars or more, but
17 in no event shall the tax payment exceed two hundred fifty
18 dollars.

19 Sec. 3. For purposes of this Act, the tax liability for
20 the tax year beginning in 1978 shall be the tax imposed by
21 division two (II) of chapter four hundred twenty-two (422)
22 of the Code, for that year, reduced by the sum of the credits
23 allowable under section four hundred twenty-two point twelve
24 (422.12) of the Code for that year. A husband and wife shall
25 be considered one taxpayer and the amount of the rebate shall
26 be determined on the basis of the combined tax liability of
27 the husband and wife.

28 Sec. 4. The payment provided by this Act shall be deemed
29 made on the last date prescribed by law for the filing of
30 the returns of tax in section four hundred twenty-two point
31 twenty-one (422.21) of the Code for the tax year beginning
32 in 1978, including any extensions thereof. A payment shall
33 not be deemed to have been made unless the return is filed
34 on or before the due date or the extended due date.

35 Sec. 5. A payment of tax deemed made under this Act by

1 an individual for a tax year beginning in 1978, shall be con-
2 sidered an overpayment and shall be credited by the department
3 against any tax due under chapter four hundred twenty-two
4 (422) of the Code from the person who made the overpayment
5 or, if no such tax is due, the amount shall be refunded by
6 the department. Any payment of tax of one dollar or less
7 shall be subject to the provisions for refunding contained
8 in section four hundred twenty-two point sixteen (422.16),
9 subsection eleven (11), paragraph e of the Code.

10 Sec. 6. A payment of tax deemed made under this Act by
11 an individual for a tax year beginning in 1978, which is to
12 be refunded under section five (5) of this Act shall be
13 refunded to the taxpayer. If the refund is not made within
14 one hundred twenty days from the date of payment provided
15 under section four (4) of this Act, interest shall be paid
16 at the rate of three-fourths of one percent per month counting
17 each fraction of a month as an entire month. Interest shall
18 not be paid on returns improperly and incorrectly prepared.

19 Sec. 7. The provisions of this Act shall not be in effect
20 after June 30, 1980.

21 Sec. 8. The director of revenue may adopt rules pursuant
22 to chapter seventeen A (17A) of the Code to carry out the
23 provisions of this Act.

24 Sec. 9. There is appropriated, out of any funds in the
25 general fund of the state not otherwise appropriated, a sum
26 sufficient to carry out the provisions of this Act.

27 Sec. 10. The provisions of this Act shall not be codified
28 in the permanent Code but shall be printed in the session
29 laws only.

30 Sec. 11. This Act, being deemed of immediate importance,
31 shall take effect from and after its publication in the
32 Marshalltown Times-Republican, a newspaper published in
33 Marshalltown, Iowa, and in the Muscatine Journal, a news-
34 paper published in Muscatine, Iowa.

35

HOUSE FILE 693

S-3549

1 Amend House File 693 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 2, line 13, by inserting after the word
4 "taxpayer." the words "The refund shall be accompanied
5 by a statement specifying the amount of the state
6 income tax liability that was the basis for determining
7 the amount of additional tax which the individual
8 was treated as having made under section two (2) of
9 this Act."

10 2. Page 2, line 27, by inserting after the word
11 "provisions" the words and figures "of sections one
12 (1) through nine (9)".

13 3. Page 2, by inserting after line 29 the
14 following:

15 "Sec. ____ . Section four hundred twenty-two point
16 nine (422.9), subsection two (2), paragraph b, Code
17 1979, is amended to read as follows:

18 b. Add the amount of federal income taxes paid
19 ~~or accrued as the case may be~~ during the tax year,
20 adjusted by any federal income tax refunds to the
21 extent such refunds result from a carry-back of a
22 federal loss or tax credit to a prior tax year.
23 ~~Provided, however, that where~~ Where married persons,
24 who have filed a joint federal income tax return,
25 file separately, ~~such~~ the total shall be divided
26 between them according to the portion therefore paid
27 ~~or accrued, as the case may be~~, by each.

28 In addition to the deduction and adjustment allowed
29 under paragraph b of this subsection, taxpayers who
30 deducted federal income taxes on a cash basis for
31 tax years beginning prior to January 1, 1979 shall
32 deduct any additional federal income taxes paid for
33 tax years beginning prior to January 1, 1979 in the
34 year of payment and shall add to Iowa income any
35 refunds or credits of federal income taxes paid for
36 tax years beginning prior to January 1, 1979 in the
37 tax year the refund or credit is received.

38 However, if the computation under the preceding
39 paragraph results in a deduction for the taxpayer
40 for the tax year beginning in 1979 and the taxpayer
41 has been treated as having made an additional payment
42 against the tax imposed for a tax year beginning in
43 1978 as provided for in sections one (1) through eight
44 (8) of this Act, the taxpayer shall subtract from
45 the amount of the deduction computed under the
46 preceding paragraph an amount, not to exceed the
47 amount of such deduction, which is equal to the amount
48 of the taxpayer's income tax liability, not to exceed
49 two thousand five hundred dollars, used to compute
50 the additional amount treated as having been made

1 against the tax imposed for the tax year beginning
2 in 1978 as provided for in sections one (1) through
3 eight (8) of this Act.

4 Sec. ____ . Section four hundred twenty-two point
5 thirty-five (422.35), subsection four (4), Code 1979,
6 is amended to read as follows:

7 4. Subtract fifty percent of the federal income
8 taxes paid ~~or~~ accrued, ~~as the case may be,~~ during
9 the tax year, adjusted by any federal income tax
10 refunds to the extent such refunds result from a
11 carry-back of a federal loss or tax credit to a prior
12 tax year, and add the Iowa income tax deducted in
13 computing said taxable income.

14 In addition to the deduction and adjustment allowed
15 under this subsection, taxpayers that deducted federal
16 income taxes on a cash basis for tax years beginning
17 prior to January 1, 1979 shall deduct any additional
18 federal income taxes paid for tax years beginning
19 prior to January 1, 1979 in the year of payment and
20 shall add to Iowa income any refunds or credits of
21 federal income taxes paid for tax years beginning
22 prior to January 1, 1979 in the tax year the refund
23 or credit is received.

24 However, for the first tax year beginning on or
25 after January 1, 1979, and ending prior to December
26 31, 1980, in lieu of the deductions and adjustments
27 related to federal income taxes specified in this
28 subsection, taxpayers shall deduct the larger of (1)
29 the additional federal income taxes paid during this
30 tax year for tax years beginning prior to January
31 1, 1979, adjusted by any federal income tax refunds
32 or credits received in this tax year on federal income
33 taxes paid for tax years beginning prior to January
34 1, 1979, or (2) the accrued federal income tax
35 liability for this tax year adjusted by any additional
36 federal income taxes paid or refunds or credits
37 received in this tax year on federal income taxes
38 paid for tax years beginning prior to January 1, 1978.

39 Sec. ____ . This Act is retroactive to January 1,
40 1979 for tax years beginning on or after that date."

41 4. Amend the title, line 2, by inserting after
42 the word "taxes" the words ", providing for the
43 deduction of federal income taxes on an accrual basis,
44 making the Act retroactive".

45 5. By numbering and renumbering as required by
46 this amendment.

S-3549 FILED *W. L. ... 4/23*
APRIL 18, 1979 *(p. 1347)*

BY ARTHUR A. SMALL, JR.

HOUSE FILE 693

S-3497

1 Amend House File 693, as amended, passed, and re-
2 printed by the House, as follows:

3 1. Page 1, line 24, by inserting after the figure
4 "(422.12)" the words and figures "and section four
5 hundred twenty-two point eight (422.8), subsection one
6 (1)".

S-3497 FILED *Adopted 4/23*
APRIL 17, 1979 *(p. 1347)*

BY ROLF V. CRAFT

HOUSE FILE 693

S-3565

1 Amend House File 693 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 2, line 27, by inserting after the word
4 "provisions" the words "of sections one (1) through
5 nine (9)".

6 2. Page 2, by inserting after line 29 the
following:

7 "Sec. 11. Section four hundred twenty-two point
9 nine (422.9), subsection one (1), Code 1979, is amended
10 to read as follows:

11 1. An optional standard deduction of ~~ten~~ twenty
12 percent of the net income after deduction of federal
13 income tax, not to exceed ~~five-hundred~~ one thousand
14 dollars for a married person who files separately,
15 ~~or one two~~ two thousand dollars for a single person or
16 three thousand dollars for a husband and wife who
17 file a joint return.

18 Sec. . The provisions of section eleven (11)
19 of this Act are effective for tax years beginning
20 on or after January 1, 1980."

21 3. Amend the title, line 2, by inserting after
22 the word "taxes" the words ", increasing the standard
23 deduction for 1979 taxes".

24 4. By numbering and renumbering as required by
25 this amendment.

S-3565 FILED *Filed out of
order 4/22 (S. 134E)*

BY NORMAN RODGERS
LOWELL L. JUNKINS
BOB RUSH
BERL E. PRIEBE
J. V. GALLAGHER
PATRICK DELUHERY
C. JOSEPH COLEMAN
CLOYD E. ROBINSON
GEORGE R. KINLEY
JAMES CALHOON
ARTHUR SMALL, JR.
EARL M. WILLITS

C. W. HUTCHINS
WILLIAM D. PALMER
JOANN ORR
ALVIN MILLER
JOE BROWN
JOHN SCOTT
CHARLES P. MILLER
TOM SLATER
BASS VAN GILST
BOB CARR

S-3565 FILED
APRIL 20, 1979

HOUSE FILE 693

S-3566

1 Amend House File 693 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 2, line 27, by inserting after the word
4 "provisions" the words and figures "of sections one
5 (1) through nine (9)".

6 2. Page 2, by inserting after line 29 the
7 following:

8 "Sec. 11. Section four hundred twenty-two point
9 four (422.4), Code 1979, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. "Adjusted inflation factor" means
12 a cumulative index, expressed as a percentage,
13 determined pursuant to section four hundred twenty-
14 two point twenty-one (422.21) of the Code by the
15 director to reflect the purchasing power of the dollar
16 as a result of inflation or deflation since January
17 1, 1980.

18 Sec. 12. Section four hundred twenty-two point
19 five (422.5), Code 1979, is amended by adding the
20 following new unnumbered paragraph:

21 NEW UNNUMBERED PARAGRAPH. Upon determination of
22 the latest adjusted inflation factor, the director
23 shall multiply each dollar amount, including those
24 expressed in the tax brackets, set forth in this
25 section by that adjusted inflation factor and shall
26 round off the resulting product to the nearest one
27 dollar.

28 Sec. 13. Section four hundred twenty-two point
29 nine (422.9), subsection one (1), Code 1979, is amended
30 to read as follows:

31 1. An optional standard deduction of ten percent
32 of the net income after deduction of federal income
33 tax, not to exceed five hundred dollars multiplied
34 by the adjusted inflation factor for a married person
35 who files separately, or one thousand dollars
36 multiplied by the adjusted inflation factor for a
37 single person or one thousand dollars multiplied by
38 the adjusted inflation factor for a husband and wife
39 who file a joint return.

40 Sec. 14. Section four hundred twenty-two point
41 twelve (422.12), subsection one (1), Code 1979, is
42 amended by adding the following new unnumbered
43 paragraph:

44 NEW UNNUMBERED PARAGRAPH. Upon determination of
45 the latest adjusted inflation factor, the director
46 shall multiply each dollar amount set forth in this
47 subsection by that adjusted inflation factor and shall
48 round off the resulting product to the nearest one
49 dollar.

50 Sec. 15. Section four hundred twenty-two point

1 twenty-one (422.21), Code 1979, is amended by adding
2 the following new unnumbered paragraphs:

3 NEW UNNUMBERED PARAGRAPH. The director shall
4 determine the adjusted inflation factor by December
5 thirty-first of each calendar year to be applied to
6 tax years ending on or after December thirty-first.
7 The adjusted inflation factor, to be expressed as
8 a percentage, shall reflect the purchasing power of
9 the dollar as a result of inflation or deflation from
10 January 1, 1980, to the end of the second quarter
11 of the applicable calendar year. The director shall
12 base the determination on any consumer price index
13 or comparable index which adequately reflects the
14 purchasing power of the dollar in the state. The
15 adjusted inflation factor determined by the director
16 is not a rule as defined in section seventeen A point
17 two (17A.2), subsection seven (7), of the Code.

18 NEW UNNUMBERED PARAGRAPH. The director shall
19 compute the new dollar amounts as required in sections
20 four hundred twenty-two point five (422.5), four
21 hundred twenty-two point nine (422.9), and four hundred
22 twenty-two point twelve (422.12) of the Code by
23 multiplying the dollar amounts specified therein to
24 be adjusted by the adjusted inflation factor, rounding
25 off the result to the nearest one dollar, and
26 incorporating the result into the income tax forms
27 and instructions for each tax year. However, the
28 resulting product shall not reduce the specified
29 dollar amounts below those specified on January 1,
30 1980.

31 Sec. _____. The provisions of sections eleven (11)
32 through fifteen (15) of this Act are effective for
33 tax years beginning on or after January 1, 1980."

34 3. Amend the title, line 2, by inserting after
35 the words "taxes" the words ", providing for the
36 indexation of the individual income tax".

37 4. By numbering and renumbering as required by
38 this amendment.

BY NORMAN G. RODGERS
LOWELL L. JUNKINS
C. W. HUTCHINS
BOB RUSH
WILLIAM D. PALMER
J. V. GALLAGHER
JOE BROWN
JOHN SCOTT
CHARLES P. MILLER
TOM SLATER
BASS VAN GILST

BOB CARR
EARL M. WILLITS
JOANN ORR
BERL E. PRIEBE
ALVIN V. MILLER
C. JOSEPH COLEMAN
CLOYD E. ROBINSON
GEORGE R. KINLEY
JAMES CALHOON
ARTHUR SMALL, JR.

HOUSE FILE 693

S-3582

1 Amend House File 693 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 2, line 19, by inserting after the word
4 "provisions" the words and figures "of sections one
5 (1) through nine (9)".

6 2. Page 2, line 27, by inserting after the word
7 "provisions" the words and figures "of sections one
8 (1) through nine (9)".

9 3. Page 2, by inserting after line 29 the
10 following:

11 "Sec. ____ . Section four hundred twenty-two point
12 nine (422.9), subsection two (2), paragraph b, Code
13 1979, is amended to read as follows:

14 b. Add the amount of federal income taxes paid
15 or accrued ~~as-the-case-may-be~~, during the tax year,
16 adjusted by any federal income tax refunds to the
17 extent such refunds result from a carry-back of a
18 federal loss or tax credit to a prior tax year.
19 ~~Provided, however, that where~~ Where married persons,
20 who have filed a joint federal income tax return,
21 file separately, such the total shall be divided
22 between them according to the portion thereof paid
23 or accrued, ~~as-the-case-may-be~~, by each.

24 However for the first tax year beginning on or
25 after January 1, 1979, and ending prior to December
26 31, 1980, in lieu of the deductions and adjustments
27 specified in paragraph b, taxpayers who deducted
28 federal income taxes on a cash basis for tax years
29 beginning prior to January 1, 1979 shall deduct the
30 larger of (1) the additional federal income taxes
31 paid during this tax year for tax years beginning
32 prior to January 1, 1979, adjusted by any federal
33 income tax refunds or credits received in this tax
34 year on federal income taxes paid for tax years
35 beginning prior to January 1, 1979, or (2) the accrued
36 federal income tax liability for this tax year adjusted
37 by any federal income tax refunds received in this
38 tax year to the extent such refunds result from a
39 carry-back of a federal loss or tax credit to a prior
40 tax year.

41 Sec. ____ . Section four hundred twenty-two point
42 thirty-five (422.35), subsection four (4), Code 1979,
43 is amended to read as follows:

44 4. Subtract fifty percent of the federal income
45 taxes paid or accrued, ~~as-the-case-may-be~~, during
46 the tax year, adjusted by any federal income tax
47 refunds to the extent such refunds result from a
48 carry-back of a federal loss or tax credit to a prior
49 tax year; and add the Iowa income tax deducted in
50 computing said taxable income.

S-3582
PAGE 2

1 However, for the first tax year beginning on or
2 after January 1, 1979, and ending prior to December
3 31, 1980, in lieu of the deductions and adjustments
4 related to federal income taxes specified in this
5 subsection, taxpayers who deducted federal income
6 taxes on a cash basis for tax years beginning prior
7 to January 1, 1979 shall deduct fifty percent of the
8 larger of (1) the additional federal income taxes
9 paid during this tax year for tax years beginning
10 prior to January 1, 1979, adjusted by any federal
11 income tax refunds or credits received in this tax
12 year on federal income taxes paid for tax years
13 beginning prior to January 1, 1979, or (2) the accrued
14 federal income tax liability for this tax year adjusted
15 by any federal income tax refunds received in this
16 tax year to the extent such refunds result from a
17 carry-back of a federal loss or tax credit to a prior
18 tax year.

19 Sec. ____ . This Act is retroactive to January 1,
20 1979 for tax years beginning on or after that date."

21 4. Amend the title, line 2, by inserting after
22 the word "taxes" the words ", providing for the
23 deduction of federal income taxes on an accrual basis,
24 making the Act retroactive".

25 5. By numbering and renumbering as required by
26 this amendment.

S-3582 FILED
APRIL 23, 1979

BY ARTHUR A. SMALL, JR.

RULED OUT OF ORDER (p. 1347)

HOUSE FILE 693

S-3586

1 Amend the Junkins et al amendment, S-3580, to
2 House File 693, as amended, passed, and reprinted
3 by the House, as follows:
4 1. Page 1, by inserting after line 12 the follow-
5 ing:
6 " ____ . Page 2, line 6, by inserting after the word
7 "department." the words "The amount of the credit shall
8 include interest computed on the amount of the credit
9 allowed under this Act at the rate of six point seven
10 percent for one year. The department shall include
11 a statement in the booklet of instructions explaining
12 that the additional tax credit is allowed because the state
13 individual income tax yielded excess funds."

S-3586 FILED & ADOPTED (p. 1351) BY JOANN ORR
APRIL 23, 1979

LOWELL L. JUNKINS

HOUSE FILE 693

S-3583

1 Amend House File 693 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 2, line 19, by inserting after the word
4 "provisions" the words and figures "of sections one
5 (1) through nine (9)".

6 2. Page 2, line 27, by inserting after the word
7 "provisions" the words and figures "of sections one
8 (1) through nine (9)".

9 3. Page 2, by inserting after line 29 the
10 following:

11 "Sec. ____ . Section four hundred twenty-two point
12 nine (422.9), subsection two (2), paragraph b, Code
13 1979, is amended to read as follows:

14 b. Add the amount of federal income taxes paid
15 ~~ex~~ accrued ~~as-the-ease-may-be~~ during the tax year,
16 adjusted by any federal income tax refunds to the
17 extent such refunds result from a carry-back of a
18 federal loss or tax credit to a prior tax year.
19 ~~Provided, however, that where~~ Where married persons,
20 who have filed a joint federal income tax return,
21 file separately, such the total shall be divided
22 between them according to the portion thereof paid
23 ~~ex~~ accrued, ~~as-the-ease-may-be~~ by each.

24 In addition to the deduction and adjustment allowed
25 under paragraph b of this subsection, taxpayers who
26 deducted federal income taxes on a cash basis for
27 tax years beginning prior to January 1, 1979 shall
28 deduct any additional federal income taxes paid for
29 tax years beginning prior to January 1, 1979 in the
30 year of payment.

31 However, if the computation under the preceding
32 paragraph results in a deduction for the taxpayer
33 for the tax year beginning in 1979 and the taxpayer
34 has been treated as having made an additional payment
35 against the tax imposed for a tax year beginning in
36 1978 as provided for in sections one (1) through eight
37 (8) of this Act, the taxpayer shall subtract from
38 the amount of the deduction computed under the
39 preceding paragraph an amount, not to exceed the
40 amount of such deduction, which is equal to the amount
41 of the taxpayer's income tax liability, not to exceed
42 two thousand five hundred dollars, used to compute
43 the additional amount treated as having been made
44 against the tax imposed for the tax year beginning
45 in 1978 as provided for in sections one (1) through
46 eight (8) of this Act.

47 Sec. ____ . Section four hundred twenty-two point
48 thirty-five (422.35), subsection four (4), Code 1979,
49 is amended to read as follows:

50 4. Subtract fifty percent of the federal income

S-3583
PAGE 2

1 ~~taxes paid or accrued, as the case may be,~~ during
2 the tax year, adjusted by any federal income tax
3 refunds to the extent such refunds result from a
4 carry-back of a federal loss or tax credit to a prior
5 tax year, and add the Iowa income tax deducted in
6 computing said taxable income.

7 In addition to the deduction and adjustment allowed
8 under this subsection, taxpayers that deducted federal
9 income taxes on a cash basis for tax years beginning
10 prior to January 1, 1979 shall deduct any additional
11 federal income taxes paid for tax years beginning
12 prior to January 1, 1979 in the year of payment and
13 shall add to Iowa income any refunds or credits of
14 federal income taxes paid for tax years beginning
15 prior to January 1, 1979 in the tax year the refund
16 or credit is received.

17 However, for the first tax year beginning on or
18 after January 1, 1979, and ending prior to December
19 31, 1980, in lieu of the deductions and adjustments
20 related to federal income taxes specified in this
21 subsection, taxpayers who are not family farm
22 corporations as defined in subsection eight (8) of
23 section one hundred seventy-two C point one (172C.1)
24 of the Code shall deduct fifty percent of the larger
25 of (1) the additional federal income taxes paid during
26 this tax year for tax years beginning prior to January
27 1, 1979, adjusted by any federal income tax refunds
28 or credits received in this tax year on federal income
29 taxes paid for tax years beginning prior to January
30 1, 1979, or (2) the accrued federal income tax
31 liability for this tax year adjusted by any additional
32 federal income taxes paid or refunds or credits
33 received in this tax year on federal income taxes
34 paid for tax years beginning prior to January 1, 1978.

35 Sec. ____. This Act is retroactive to January 1,
36 1979 for tax years beginning on or after that date."

37 4. Amend the title, line 2, by inserting after
38 the word "taxes" the words ", providing for the
39 deduction of federal income taxes on an accrual basis,
40 making the Act retroactive".

41 5. By numbering and renumbering as required by
42 this amendment.

S-3583 FILED
APRIL 23, 1979
WITHDRAWN (p. 1347)

BY JOHN SCOTT

HOUSE FILE 693

S-3590

Amend House File 693, as amended, passed, and re-
printed by the House, as follows:

1. Page 1, by striking lines 1 through 6 and in-
serting in lieu thereof the following:

"Section 1. Each individual taxpayer shall be
entitled to a motor fuel tax refund computed on the
basis of the taxpayers state income tax liability,
for a tax year beginning in 1978 in an amount as
determined pursuant to section two (2) of this Act."

2. Page 1, lines 7 and 8, by striking the words
"treated as paid by the taxpayer for the tax year
beginning in 1978 by reason of this Act" and insert-
ing in lieu thereof the words "of the motor fuel tax
rebate".

3. Page 1, line 9, by inserting after the word "be"
the word "determined".

4. Page 1, line 10, by inserting after the word
"taxpayer's" the words "state income".

5. Page 1, line 12, by inserting after the word
"taxpayer's" the words "state income".

6. Page 1, line 15, by inserting after the word
"taxpayer's" the words "state income tax".

7. Page 1, by striking lines 28 through 34.

8. Page 1, line 35, by striking the words "A
payment of tax deemed made under this Act by" and
inserting in lieu thereof the words "The motor fuel
tax rebate computed under section two (2) of this
Act".

9. Page 2, by striking line 1.

10. Page 2, line 2, by striking the words "sidered
an overpayment and".

11. Page 2, line 4, by striking the words "made
the overpayment" and inserting in lieu thereof the words
"is entitled to the rebate and".

12. Page 2, line 5, by striking the word "or".

13. Page 2, lines 10 and 11, by striking the words
"A payment of tax deemed made under this Act by an
individual for a tax year beginning in 1978" and in-
serting in lieu thereof the words "The motor fuel tax
rebate".

S-3590 FILED
APRIL 23, 1979

BY GEORGE R. KINLEY

RULED OUT OF ORDER (p. 1355)

HOUSE FILE 693

S-3580

- 1 Amend House File 693, as amended, passed, and re-
- 2 printed by the House, as follows:
- 3 1. Page 2, line 2, by striking the words "credited
- 4 by the department" and inserting in lieu thereof the
- 5 words "allowed as a credit".
- 6 2. Page 2, line 4, by inserting after the word
- 7 "Code" the words "for a tax year beginning in 1979,
- 8 reduced by the sum of the credits allowed under
- 9 section four hundred twenty-two point twelve (422.12)
- 10 of the Code,".
- 11 3. Page 2, line 5, by inserting after the word
- 12 "due" the words "for a tax year beginning in 1979".
- 13 4. Page 2, by striking lines 10 through 20.
- 14 5. Page 2, by striking lines 24, 25, and 26.
- 15 6. Page 2, by striking lines 30 through 35.

By LOWELL L. JUNKINS

C. W. HUTCHINS
 NORMAN RODGERS
 ARTHUR A. SMALL, JR.
 BERL E. PRIEBE
 JAMES GALLAGHER
 EARL M. WILLITS
 BOB CARR
 TOM SLATER

C. JOSEPH COLEMAN
 JOHN R. SCOTT
 JOANN ORR
 BASS VAN GILST
 JAMES CALHOON
 ALVIN V. MILLER
 CHARLES P. MILLER
 JOE BROWN

S-3580 FILED

APRIL 23, 1979

LOST, AS AMENDED (S. 1354)

HOUSE FILE 693

S-3587

- 1 Amend House File 693, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 1, line 24, by striking the words "A
- 4 husband and wife shall".
- 5 2. Page 1, by striking lines 25, 26, and 27.

S-3587 FILED & LOST (S. 1353) BY C. JOSEPH COLEMAN
 APRIL 23, 1979

H-4227

1 Amend the Senate amendment, H-4220, to House File
2 693 as amended, passed and reprinted by the House
3 as follows:

4 1. Page 1, by inserting after line 6 the following:

5 "_____. Page 2, line 19, by inserting after the
6 word "provisions" the words and figures "of section
7 one (1) through 10 (10)".

8 _____ Page 2, line 27, by inserting after the word
9 "provisions" the words and figures "of section one
10 (1) through 10 (10)".

11 _____ Page 2, by inserting after line 29 the
12 following:

13 "Sec. 11. Section four hundred twenty-two point
14 four (422.4), Code 1979, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION.

17 a. "Annual inflation factor" means an index,
18 expressed as a percentage, determined by the department
19 on or before May first of each year to reflect the
20 purchasing power of the dollar as a result of inflation
21 or deflation during the preceding calendar year,
22 except that in the 1979 calendar year the department
23 has thirty days after the effective date of this Act
24 to determine the annual inflation factor. In
25 determining the annual inflation factor, the department
26 shall use the annual percent change in the consumer
27 price index produced by the bureau of labor statistics
28 of the United States department of commerce and shall
29 add that percent figure to one hundred percent. The
30 annual inflation factor and the cumulative inflation
31 factor shall each be expressed as a percentage rounded
32 to the nearest one-tenth of one percent.

33 Notwithstanding the provisions of the Iowa
34 administrative procedure act, the department may
35 announce the annual inflation factor without prior
36 notice, and the annual inflation factor shall become
37 effective immediately.

38 b. "Cumulative inflation factor" means the product
39 of the annual inflation factor for the 1978 calendar
40 year and all annual inflation factors for subsequent
41 calendar years as determined pursuant to this
42 subsection. The cumulative inflation factor shall
43 apply to all tax years beginning on or after January
44 first of the calendar year in which the latest annual
45 inflation factor has been determined.

46 c. The annual inflation factor for the 1978
47 calendar year is one hundred percent.

48 Sec. 12. Section four hundred twenty-two point
49 five (422.5), Code 1979, is amended by adding the
50 following new unnumbered paragraph:

Page Two
H-4227

1 NEW UNNUMBERED PARAGRAPH. Upon determination of
2 the latest cumulative inflation factor, the director
3 shall multiply each dollar amount, including those
4 expressed in the tax brackets, set forth in this
5 section by that cumulative inflation factor and shall
6 round off the resulting product to the nearest one
7 hundred dollars.

8 Sec. 13. Section four hundred twenty-two point
9 nine (422.9), subsection one (1), Code 1979, is amended
10 to read as follows:

11 1. An optional standard deduction of ten percent
12 of the net income after deduction of federal income
13 tax, not to exceed five hundred dollars multiplied
14 by the cumulative inflation factor for a married
15 person who files separately, or one thousand dollars
16 multiplied by the cumulative inflation factor for
17 a single person or a husband and wife who file a joint
18 return.

19 Sec. 14. Section four hundred twenty-two point
20 twelve (422.12), subsection one (1), Code 1979, is
21 amended by adding the following new unnumbered
22 paragraph:

23 NEW UNNUMBERED PARAGRAPH. Upon determination of
24 the latest cumulative inflation factor, the director
25 shall multiply each dollar amount set forth in this
26 subsection by that cumulative inflation factor and
27 shall round off the resulting product to the nearest
28 one dollar.

29 Sec. 15. Section four hundred twenty-two point
30 thirteen (422.13), subsections one (1) and two (2),
31 Code 1979, are amended to read as follows:

32 1. Every resident of Iowa who is required to file
33 a federal income tax return under the Internal Revenue
34 Code of 1954, or who has a net income of two thousand
35 dollars multiplied by the cumulative inflation factor
36 or more for the tax year from sources taxable under
37 this division, shall make and sign a return.

38 2. Every nonresident who is required to file a
39 federal income tax return under the Internal Revenue
40 Code of 1954 and who has a net income of two thousand
41 dollars multiplied by the cumulative inflation factor
42 or more for the tax year from sources taxable under
43 this division, shall make and sign a return.

44 Sec. 16. Section four hundred twenty-two point
45 fourteen (422.14), subsection one (1), Code 1979,
46 is amended to read as follows:

47 1. Every fiduciary subject to taxation under the
48 provisions of this division, as provided in section
49 422.6, shall make and sign a return for the individual,
50 estate or trust for whom or for which he or she acts,

Page Three
H-4227

1 if the taxable income thereof amounts to six hundred
2 dollars multiplied by the cumulative inflation factor
3 or more. A nonresident fiduciary shall file a copy
4 of the federal income tax return for the current tax
5 year with the return required by this section.

6 Sec. 17. Section four hundred twenty-two point
7 twenty-one (422.21), Code 1979, is amended by adding
8 the following new unnumbered paragraph:

9 NEW UNNUMBERED PARAGRAPH. The director shall
10 compute the new dollar amounts as required in sections
11 four hundred twenty-two point five (422.5), four
12 hundred twenty-two point nine (422.9), subsection
13 one (1), four hundred twenty-two point twelve (422.12),
14 four hundred twenty-two point thirteen (422.13) and
15 four hundred twenty-two point fourteen (422.14) of
16 the Code by multiplying the dollar amounts specified
17 therein to be adjusted by the cumulative inflation
18 factor, rounding off the result, and incorporating
19 the result into the income tax forms and instructions
20 for each taxable year. The rounding off shall be
21 as follows: the resulting dollar amounts in sections
22 four hundred twenty-two point five (422.5), four
23 hundred twenty-two point thirteen (422.13) and four
24 hundred twenty-two point fourteen (422.14) of the
25 Code to the nearest one hundred dollars and the
26 resulting dollar amounts in sections four hundred
27 twenty-two point nine (422.9), subsection one (1),
28 and four hundred twenty-two point twelve (422.12)
29 of the Code to the nearest one dollar.

30 Sec. 18. The provisions of sections eleven (11)
31 through seventeen (17) of this Act are retroactive
32 to January 1, 1979, for tax years beginning on or
33 after January 1, 1979."

34 . . . Amend the title, line 2, by inserting after
35 the word "taxes" the words ", indexing the state
36 individual income tax and making those provisions
37 retroactive".

38 . . . By numbering, renumbering and correcting
39 internal references as required by this amendment."

40 2. By number and renumbering as required by this
41 amendment.

H-4227 FILED
MAY 2, 1979

BY RAPP of Black Hawk

RULED NOT GERMANE, MOTION
TO SUSPEND RULES, LOST (p. 2004)

HOUSE FILE 693

H-4225

1 Amend the Senate amendment, H-4220, to House File
2 693, as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 1, by inserting after line 2 the following:
5 "____. Page 1, by striking lines 10 through 18
6 and inserting in lieu thereof the following:
7 "1. The amount of the taxpayer's tax liability
8 to the extent the tax liability does not exceed ten
9 dollars and fifty cents.
10 2. Ten dollars and fifty cents, to the extent
11 that the taxpayer's tax liability is greater than
12 ten dollars and fifty cents but less than one hundred
13 fifty dollars.
14 3. Seven percent of the taxpayer's liability to
15 the extent the tax liability is one hundred fifty
16 dollars or more, but in no event shall the tax payment
17 exceed one hundred seventy-five dollars under this
18 subsection.
19 4. In addition to the amount of the rebate provided
20 in subsections one (1), two (2), and three (3) of
21 this section, each taxpayer shall receive an additional
22 rebate of five dollars for each personal exemption
23 credit claimed by the taxpayer on the taxpayer's
24 return."

H-4225 FILED
MAY 2, 1979
RULED NOT GERMANE, MOTION
TO SUSPEND RULES, LOST (p 2000)

BY BRUNER of Story
AVENSON of Fayette
NORLAND of Worth

H-4246

1 Amend the Senate amendment, H-4220, to House File
2 693 as amended, passed and reprinted by the House
3 as follows:
4 1. Page 1, by inserting after line 6 the following:
5 "_____. Page 2, line 19, by inserting after the
6 word "provisions" the words and figures "of section
7 one (1) through 10 (10)".
8 _____ . Page 2, line 27, by inserting after the word
9 "provisions" the words and figures "of sections one
10 (1) through 10 (10)".
11 _____ . Page 2, by inserting after line 29 the
12 following:
13 "Sec. 11. Section four hundred twenty-two point
14 four (422.4), Code 1979, is amended by adding the
15 following new subsection:
16 NEW SUBSECTION.
17 a. "Annual inflation factor" means an index,
18 expressed as a percentage, determined by the department
19 on or before May first of each year to reflect the
20 purchasing power of the dollar as a result of inflation
21 or deflation during the preceding calendar year,
22 except that in the 1979 calendar year the department
23 has thirty days after the effective date of this Act
24 to determine the annual inflation factor. In
25 determining the annual inflation factor, the department
26 shall use the annual percent change in the consumer
27 price index produced by the bureau of labor statistics
28 of the United States department of commerce and shall
29 add that percent figure to one hundred percent. The
30 annual inflation factor and the cumulative inflation
31 factor shall each be expressed as a percentage rounded
32 to the nearest one-tenth of one percent.
33 Notwithstanding the provisions of the Iowa
34 administrative procedure act, the department may
35 announce the annual inflation factor without prior
36 notice, and the annual inflation factor shall become
37 effective immediately.
38 b. "Cumulative inflation factor" means the product
39 of the annual inflation factor for the 1978 calendar
40 year and all annual inflation factors for subsequent
41 calendar years as determined pursuant to this
42 subsection. The cumulative inflation factor shall
43 apply to all tax years beginning on or after January
44 first of the calendar year in which the latest annual
45 inflation factor has been determined.
46 c. The annual inflation factor for the 1978
47 calendar year is one hundred percent.
48 Sec. 12. Section four hundred twenty-two point
49 five (422.5), Code 1979, is amended by adding the
50 following new unnumbered paragraph:

1 NEW UNNUMBERED PARAGRAPH. Upon determination of
2 the latest cumulative inflation factor, the director
3 shall multiply each dollar amount, including those
4 expressed in the tax brackets, set forth in this
5 section by that cumulative inflation factor and shall
6 round off the resulting product to the nearest one
7 hundred dollars.

8 Sec. 13. Section four hundred twenty-two point
9 nine (422.9), subsection one (1), Code 1979, is amended
10 to read as follows:

11 1. An optional standard deduction of ten percent
12 of the net income after deduction of federal income
13 tax, not to exceed five hundred dollars multiplied
14 by the cumulative inflation factor for a married
15 person who files separately, or one thousand dollars
16 multiplied by the cumulative inflation factor for
17 a single person or a husband and wife who file a joint
18 return.

19 Sec. 14. Section four hundred twenty-two point
20 twelve (422.12), subsection one (1), Code 1979, is
21 amended by adding the following new unnumbered
22 paragraph:

23 NEW UNNUMBERED PARAGRAPH. Upon determination of
24 the latest cumulative inflation factor, the director
25 shall multiply each dollar amount set forth in this
26 subsection by that cumulative inflation factor and
27 shall round off the resulting product to the nearest
28 one dollar.

29 Sec. 15. Section four hundred twenty-two point
30 thirteen (422.13), subsections one (1) and two (2),
31 Code 1979, are amended to read as follows:

32 1. Every resident of Iowa who is required to file
33 a federal income tax return under the Internal Revenue
34 Code of 1954, or who has a net income of two thousand
35 dollars multiplied by the cumulative inflation factor
36 or more for the tax year from sources taxable under
37 this division, shall make and sign a return.

38 2. Every nonresident who is required to file a
39 federal income tax return under the Internal Revenue
40 Code of 1954 and who has a net income of two thousand
41 dollars multiplied by the cumulative inflation factor
42 or more for the tax year from sources taxable under
43 this division, shall make and sign a return.

44 Sec. 16. Section four hundred twenty-two point
45 fourteen (422.14), subsection one (1), Code 1979,
46 is amended to read as follows:

47 1. Every fiduciary subject to taxation under the
48 provisions of this division, as provided in section
49 422.6, shall make and sign a return for the individual,
50 estate or trust for whom or for which he or she acts,

1 if the taxable income thereof amounts to six hundred
2 dollars multiplied by the cumulative inflation factor
3 or more. A nonresident fiduciary shall file a copy
4 of the federal income tax return for the current tax
5 year with the return required by this section.

6 Sec. 17. Section four hundred twenty-two point
7 twenty-one (422.21), Code 1979, is amended by adding
8 the following new unnumbered paragraph:

9 NEW UNNUMBERED PARAGRAPH. The director shall
10 compute the new dollar amounts as required in sections
11 four hundred twenty-two point five (422.5), four
12 hundred twenty-two point nine (422.9), subsection
13 one (1), four hundred twenty-two point twelve (422.12),
14 four hundred twenty-two point thirteen (422.13) and
15 four hundred twenty-two point fourteen (422.14) of
16 the Code by multiplying the dollar amounts specified
17 therein to be adjusted by the cumulative inflation
18 factor, rounding off the result, and incorporating
19 the result into the income tax forms and instructions
20 for each taxable year. The rounding off shall be
21 as follows: the resulting dollar amounts in sections
22 four hundred twenty-two point five (422.5), four
23 hundred twenty-two point thirteen (422.13) and four
24 hundred twenty-two point fourteen (422.14) of the
25 Code to the nearest one hundred dollars and the
26 resulting dollar amounts in sections four hundred
27 twenty-two point nine (422.9), subsection one (1),
28 and four hundred twenty-two point twelve (422.12)
29 of the Code to the nearest one dollar.

30 Sec. 18. The provisions of sections eleven (11)
31 through seventeen (17) of this Act are retroactive
32 to January 1, 1979, for tax years beginning on or
33 after January 1, 1979."

34 _____. Amend the title, line 2, by inserting after
35 the word "taxes" the words ", indexing the state
36 individual income tax and making those provisions
37 retroactive".

38 _____. By numbering, renumbering and correcting
39 internal references as required by this amendment."

40 2. By numbering and renumbering as required by this
41 amendment.

BY CONLON of Muscatine
HALVORSON of Clayton
WEST of Marshall
WELDEN of Hardin

Lara of Marshall 5/3 (2063)

SENATE AMENDMENT TO
HOUSE FILE 693

H-4220

- 1 Amend House File 693 as amended, passed and
- 2 reprinted by the House as follows:
- 3 1. Page 1, line 24, by inserting after the figure
- 4 "(422.12)" the words and figures "and section four
- 5 hundred twenty-two point eight (422.8), subsection one
- 6 (1)".

H-4220 FILED
MAY 1, 1979

RECEIVED FROM THE SENATE
Hawaii Revenue 2 5/2 (p. 2004)

HOUSE FILE 693

AN ACT
PROVIDING FOR AN INDIVIDUAL INCOME TAX REBATE FOR 1978 TAXES
AND MAKING AN APPROPRIATION.

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

Section 1. Except as otherwise provided in this Act, each individual shall be treated as having made an additional payment against the tax imposed by division two (II) of chapter four hundred twenty-two (422) of the Code, for a tax year beginning in 1978 in an amount as determined pursuant to section two (2) of this Act.

Sec. 2. The amount treated as paid by the taxpayer for the tax year beginning in 1978 by reason of this Act shall be as follows:

1. The amount of the taxpayer's tax liability to the extent the tax liability does not exceed fifteen dollars.
2. Fifteen dollars, to the extent the taxpayer's tax liability is greater than fifteen dollars but less than one hundred fifty dollars.
3. Ten percent of the taxpayer's liability to the extent the tax liability is one hundred fifty dollars or more, but in no event shall the tax payment exceed two hundred fifty dollars.

Sec. 3. For purposes of this Act, the tax liability for the tax year beginning in 1978 shall be the tax imposed by division two (II) of chapter four hundred twenty-two (422) of the Code, for that year, reduced by the sum of the credits allowable under section four hundred twenty-two point twelve (422.12) and section four hundred twenty-two point eight (422.8), subsection one (1) of the Code for that year. A husband and wife shall be considered one taxpayer and the amount of the rebate shall be determined on the basis of the combined tax liability of the husband and wife.

Sec. 4. The payment provided by this Act shall be deemed made on the last date prescribed by law for the filing of the returns of tax in section four hundred twenty-two point twenty-one (422.21) of the Code for the tax year beginning in 1978, including any extensions thereof. A payment shall not be deemed to have been made unless the return is filed on or before the due date or the extended due date.

Sec. 5. A payment of tax deemed made under this Act by an individual for a tax year beginning in 1978, shall be considered an overpayment and shall be credited by the department against any tax due under chapter four hundred twenty-two (422) of the Code from the person who made the overpayment or, if no such tax is due, the amount shall be refunded by the department. Any payment of tax of one dollar or less shall be subject to the provisions for refunding contained in section four hundred twenty-two point sixteen (422.16), subsection eleven (11), paragraph e of the Code.

Sec. 6. A payment of tax deemed made under this Act by an individual for a tax year beginning in 1978, which is to be refunded under section five (5) of this Act shall be refunded to the taxpayer. If the refund is not made within one hundred twenty days from the date of payment provided under section four (4) of this Act, interest shall be paid at the rate of three-fourths of one percent per month counting each fraction of a month as an entire month. Interest shall not be paid on returns improperly and incorrectly prepared.

Sec. 7. The provisions of this Act shall not be in effect after June 30, 1980.

Sec. 8. The director of revenue may adopt rules pursuant to chapter seventeen A (17A) of the Code to carry out the provisions of this Act.

Sec. 9. There is appropriated, out of any funds in the general fund of the state not otherwise appropriated, a sum sufficient to carry out the provisions of this Act.

Sec. 10. The provisions of this Act shall not be codified in the permanent Code but shall be printed in the session laws only.

Sec. 11. This Act, being deemed of immediate importance, shall take effect from and after its publication in the Marshalltown Times-Republican, a newspaper published in Marshalltown, Iowa, and in the Muscatine Journal, a newspaper published in Muscatine, Iowa.

FLOYD H. MILLEN
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 693, Sixty-eighth General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved May 22, 1979

ROBERT D. RAY
Governor