

reprinted

MAR 10 1989

HOUSE FILE 578

WAYS & MEANS COMMITTEE

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 55)

Passed House, Date 4-26-89 (P. 1973) Passed Senate, Date 5-4-89 (P. 1935)

Vote: Ayes 92 Nays 0 Vote: Ayes 49 Nays 0

Approved May 28, 1989

A BILL FOR

1 An Act excluding from income for purposes of state and local
2 government benefit or entitlement programs and the state
3 individual income tax proceeds received for damages resulting
4 from exposure to certain herbicides and providing a
5 retroactive applicability date.

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

7
8
9

HF

HOUSE FILE 578

H-3566

1 Amend House File 578 as follows:

- 2 1. Page 1, line 16, by inserting after the word
- 3 "liens" the following: ", except liens for child
- 4 support,".

By SCHNEKLOTH of Scott

H-3566 FILED MARCH 23, 1989

Adopted 4-26-89 (P. 1973)

18
19
20
21
22
23
24

1 Section 1. NEW SECTION. 139A.11 VETERANS' LITIGATION
2 AWARDS.

3 1. For purposes of this section, "Vietnam herbicide" means
4 a herbicide, defoliant, or other causative agent containing
5 dioxin, including, but not limited to, Agent Orange, used in
6 the Vietnam conflict at any time between December 22, 1961,
7 and May 7, 1975, inclusive.

8 2. a. Notwithstanding any other law of this state,
9 proceeds received pursuant to a judgment in, or settlement of,
10 a lawsuit against the manufacturer or distributor of a Vietnam
11 herbicide for damages resulting from exposure to the herbicide
12 shall not be considered as income or an asset for determining
13 the eligibility for state or local government benefit or
14 entitlement programs. The proceeds are not subject to
15 recoupment for the receipt of governmental benefits or
16 ³⁵⁰⁻entitlements and liens are not enforceable against these sums
17 for any reason.

18 b. This exclusion of litigation proceeds from benefit or
19 entitlement program calculations are available only to
20 disabled veterans or their beneficiaries, whether payment is
21 received in a lump sum or payable in installments over a
22 period of years.

23 Sec. 2. Section 422.7, Code 1989, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 19. Subtract, to the extent included, the
26 proceeds received pursuant to a judgment in or settlement of a
27 lawsuit against the manufacturer or distributor of a Vietnam
28 herbicide for damages resulting from exposure to the
29 herbicide. This subsection applies to proceeds received by a
30 taxpayer who is a disabled veteran or who is a beneficiary of
31 a disabled veteran.

32 For purposes of this subsection:

33 a. "Vietnam herbicide" means a herbicide, defoliant or
34 other causative agent containing dioxin, including, but not
35 limited to, Agent Orange, used in the Vietnam conflict

1 beginning December 22, 1961, and ending May 7, 1975,
2 inclusive.

3 b. "Agent Orange" means the herbicide composed of
4 trichlorophenoxyacetic acid and dichlorophenoxyacetic acid and
5 the contaminant dioxin (TCDD).

6 Sec. 3. Section 2 of this Act applies retroactively to
7 January 1, 1989, for tax years beginning on or after that
8 date.

9 EXPLANATION

10 The bill excludes from income for purposes of state and
11 local government benefit and retirement programs and for the
12 state individual income tax the proceeds received by a
13 disabled veteran or the beneficiary of a disabled veteran from
14 a judgment in or settlement of a lawsuit against the
15 manufacturers or distributors of a herbicide, including Agent
16 Orange, used in the Vietnam conflict for damages resulting
17 from exposure to the herbicide.

18 The exemption from the state income tax applies
19 retroactively to January 1, 1989, for tax years beginning on
20 or after that date.

21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

**HOUSE FILE 578
FISCAL NOTE**

A fiscal note for **HOUSE FILE 578** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 578 excludes from income, for purposes of state and local government benefit or entitlement programs and for the state individual income tax the proceeds received by a disabled veteran or the beneficiary of a disabled veteran from a judgement in or settlement of a lawsuit against the manufacturers or distributors of a herbicide, including Agent Orange, used in the Vietnam Conflict for damages resulting from exposure to the herbicide.

The exemption from state income tax applies retroactively to January 1, 1989, for tax years beginning on or after that date.

Fiscal Effect

An estimate of the impact of this legislation cannot be determined because (a) the Department cannot determine the number of Iowans who have filed or will file a claim for damages under the Agent Orange Veteran Payment Program, and (b) the Department is unaware of what will be the final distribution of proceeds to veterans or their beneficiaries.

Source: Department of Revenue and Finance

(LSB 1029hv, PDD)

FILED MARCH 22, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

Sen. Wayst Means
DO pass 54-89 (p1911)

HOUSE FILE 578
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 55)

(As Amended and Passed by the House April 26, 1989)

Passed House, Date 4/26/89 (p1973) Passed Senate, Date 54-89 (p1935)
Vote: Ayes 92 Nays 0 Vote: Ayes 49 Nays 0
Approved May 28, 1989

A BILL FOR

1 An Act excluding from income for purposes of state and local
2 government benefit or entitlement programs and the state
3 individual income tax proceeds received for damages resulting
4 from exposure to certain herbicides and providing a
5 retroactive applicability date.

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

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

House Amendments _____

1 Section 1. NEW SECTION. 139A.11 VETERANS' LITIGATION
2 AWARDS.

3 1. For purposes of this section, "Vietnam herbicide" means
4 a herbicide, defoliant, or other causative agent containing
5 dioxin, including, but not limited to, Agent Orange, used in
6 the Vietnam conflict at any time between December 22, 1961,
7 and May 7, 1975, inclusive.

8 2. a. Notwithstanding any other law of this state,
9 proceeds received pursuant to a judgment in, or settlement of,
10 a lawsuit against the manufacturer or distributor of a Vietnam
11 herbicide for damages resulting from exposure to the herbicide
12 shall not be considered as income or an asset for determining
13 the eligibility for state or local government benefit or
14 entitlement programs. The proceeds are not subject to
15 recoupment for the receipt of governmental benefits or
16 entitlements and liens, except liens for child support, are
17 not enforceable against these sums for any reason.

18 b. This exclusion of litigation proceeds from benefit or
19 entitlement program calculations are available only to
20 disabled veterans or their beneficiaries, whether payment is
21 received in a lump sum or payable in installments over a
22 period of years.

23 Sec. 2. Section 422.7, Code 1989, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 19. Subtract, to the extent included, the
26 proceeds received pursuant to a judgment in or settlement of a
27 lawsuit against the manufacturer or distributor of a Vietnam
28 herbicide for damages resulting from exposure to the
29 herbicide. This subsection applies to proceeds received by a
30 taxpayer who is a disabled veteran or who is a beneficiary of
31 a disabled veteran.

32 For purposes of this subsection:

33 a. "Vietnam herbicide" means a herbicide, defoliant or
34 other causative agent containing dioxin, including, but not
35 limited to, Agent Orange, used in the Vietnam conflict

1 beginning December 22, 1961, and ending May 7, 1975,
2 inclusive.

3 b. "Agent Orange" means the herbicide composed of
4 trichlorophenoxyacetic acid and dichlorophenoxyacetic acid and
5 the contaminant dioxin (TCDD).

6 Sec. 3. Section 2 of this Act applies retroactively to
7 January 1, 1989, for tax years beginning on or after that
8 date.

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE 578

AN ACT

EXCLUDING FROM INCOME FOR PURPOSES OF STATE AND LOCAL
GOVERNMENT BENEFIT OR ENTITLEMENT PROGRAMS AND THE STATE
INDIVIDUAL INCOME TAX PROCEEDS RECEIVED FOR DAMAGES RE-
SULTING FROM EXPOSURE TO CERTAIN HERBICIDES AND PROVIDING
A RETROACTIVE APPLICABILITY DATE.

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

Section 1. NEW SECTION. 139A.11 VETERANS' LITIGATION
AWARDS.

1. For purposes of this section, "Vietnam herbicide" means
a herbicide, defoliant, or other causative agent containing

dioxin, including, but not limited to, Agent Orange, used in
the Vietnam conflict at any time between December 22, 1961,
and May 7, 1975, inclusive.

2. a. Notwithstanding any other law of this state,
proceeds received pursuant to a judgment in, or settlement of,
a lawsuit against the manufacturer or distributor of a Vietnam
herbicide for damages resulting from exposure to the herbicide
shall not be considered as income or an asset for determining
the eligibility for state or local government benefit or
entitlement programs. The proceeds are not subject to
recoupment for the receipt of governmental benefits or
entitlements and liens, except liens for child support, are
not enforceable against these sums for any reason.

b. This exclusion of litigation proceeds from benefit or
entitlement program calculations are available only to
disabled veterans or their beneficiaries, whether payment is
received in a lump sum or payable in installments over a
period of years.

Sec. 2. Section 422.7, Code 1989, is amended by adding the
following new subsection:

NEW SUBSECTION. 19. Subtract, to the extent included, the
proceeds received pursuant to a judgment in or settlement of a
lawsuit against the manufacturer or distributor of a Vietnam
herbicide for damages resulting from exposure to the
herbicide. This subsection applies to proceeds received by a
taxpayer who is a disabled veteran or who is a beneficiary of
a disabled veteran.

For purposes of this subsection:

a. "Vietnam herbicide" means a herbicide, defoliant or
other causative agent containing dioxin, including, but not
limited to, Agent Orange, used in the Vietnam conflict
beginning December 22, 1961, and ending May 7, 1975,
inclusive.

b. "Agent Orange" means the herbicide composed of
trichlorophenoxyacetic acid and dichlorophenoxyacetic acid and
the contaminant dioxin (TCDD).

Sec. 3. Section 2 of this Act applies retroactively to January 1, 1989, for tax years beginning on or after that date.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 578, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 28, 1989

TERRY E. BRANSTAD
Governor