

See Ways Means 3/27 De Pac. 4/2 (p.1002)

HOUSE FILE 489

MAR 14 1991

BY COMMITTEE ON WAYS
AND MEANS

WAYS & MEANS CALENDAR

(SUCCESSOR TO HSB 228)

Passed House, Date 3/25/91 (p.794) Passed Senate, Date 4/22/91 (p.1395)
Vote: Ayes 97 Nays 0 Vote: Ayes 48 Nays 0

Approved May 22, 1991

Repassed House for Senate amendment

4/29/91 (p.1873)

2 pgs 91- Page 0

A BILL FOR

6-5442 An Act relating to providing additional state income tax filing
2 time periods for certain military personnel, exempting from
3 taxation income of persons killed in a combat zone or while
4 serving overseas, and providing a retroactive applicability
5 date and an effective date.

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

SENATE AMENDMENT TO HOUSE FILE 489

H-3795

- 1 Amend House File 489, as passed by the House, as
- 2 follows:
- 3 1. Page 1, by inserting after line 12 the
- 4 following:
- 5 "Sec. ____ . Section 422.7, Code 1991, is amended by
- 6 adding the following new subsection:
- 7 NEW SUBSECTION. 24. Subtract to the extent
- 8 included, active duty pay received by a person in the
- 9 national guard or armed forces military reserve for
- 10 services performed on or after August 2, 1990,
- 11 pursuant to military orders related to the Persian
- 12 Gulf Conflict."
- 13 2. Title page, line 4, by inserting after the
- 14 word "overseas," the following: "exempting from
- 15 taxation active duty military pay of certain national
- 16 guard personnel and armed forces reserve personnel,".
- 17 3. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-3795 FILED APRIL 24, 1991

House Concurred 4/30/91 (p.1873)

HF 489

1 Section 1. Section 422.5, Code 1991, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 10. If an individual's federal income tax
4 was forgiven for a tax year under section 692 of the Internal
5 Revenue Code, because the individual was killed while serving
6 in an area designated by the president of the United States or
7 the United States Congress as a combat zone, the individual
8 was missing in action and presumed dead, or the individual was
9 killed outside the United States in a terroristic or military
10 action while the individual was a military or civilian
11 employee of the United States, the individual's Iowa income
12 tax is also forgiven for the same tax year.

33447

13 Sec. 2. Section 422.21, Code 1991, is amended by adding
14 the following new unnumbered paragraph:

15 NEW UNNUMBERED PARAGRAPH. An individual in the armed
16 forces of the United States serving in an area designated by
17 the president of the United States or the United States
18 congress as a combat zone, or an individual serving in support
19 of those forces, is allowed the same additional time period
20 after leaving the combat zone, or after a period of continuous
21 hospitalization, to file a state income tax return or perform
22 other acts related to the department, as would constitute
23 timely filing of the return or timely performance of other
24 acts described in section 7508(a) of the Internal Revenue
25 Code. For the purposes of this paragraph, "other acts related
26 to the department" includes filing claims for refund for any
27 tax administered by the department, making tax payments other
28 than withholding payments, filing appeals on the tax matters,
29 filing other tax returns, and performing other acts described
30 in the department's rules. The additional time period allowed
31 applies to the spouse of the individual described in this
32 paragraph to the extent the spouse files jointly or separately
33 on the combined return form with the individual or when the
34 spouse is a party with the individual to any matter for which
35 the additional time period is allowed. For the purposes of

1 this paragraph, the Internal Revenue Code shall be interpreted
2 to include the provisions of Pub. L. No. 102-2.

8-3114

3 Sec. 3. This Act applies retroactively to August 2, 1990,
4 for tax years ending on or after that date.

5 Sec. 4. This Act, being deemed of immediate importance,
6 takes effect upon enactment.

7

EXPLANATION

8 This bill eliminates any state income tax liability for
9 military personnel killed while serving in a designated combat
10 zone, or missing in action and presumed dead, or for military
11 or civilian employees of the United States killed in a
12 military or terroristic action outside of the United States,
13 for the tax year in which falls the date of death and for
14 certain prior tax years.

15 The bill further provides individuals serving in a
16 designated combat zone or serving in support of the forces in
17 such a zone an additional 180 days after leaving the combat
18 zone or after release from hospitalization to file a state
19 income tax return or to perform other acts related to the
20 department of revenue and finance or specified in the federal
21 Internal Revenue Code. This is the same time period as
22 allowed in the federal Internal Revenue Code. If an
23 individual is hospitalized in the United States, the 180-day
24 time period begins to run after the fifth year of
25 hospitalization.

26 The bill takes effect upon enactment. The bill applies
27 retroactively to August 2, 1990, for tax years ending on or
28 after that date.

29
30
31
32
33
34
35

HOUSE FILE 489

S-3414

1 Amend House File 489, as passed by the House, as
2 follows:

3 1. Page 1, by inserting after line 12 the
4 following:

5 "Sec. _____. Section 422.7, Code 1991, is amended by
6 adding the following new subsection:

7 NEW SUBSECTION. 24. Subtract to the extent
8 included, active duty pay received by a person in the
9 national guard or armed forces military reserve for
10 services performed on or after August 2, 1990,
11 pursuant to military orders related to the Persian
12 Gulf Conflict."

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

15 "Sec. _____. APPLICATION. Any taxpayer entitled to
16 a refund for the tax year beginning in the 1990
17 calendar year as a result of the exclusion of active
18 duty military pay under section 422.7, subsection 24,
19 as enacted in this Act, shall receive the refund in
20 the form of a tax credit to be applied against taxes
21 due in the tax year beginning in the 1991 calendar
22 year. The director of revenue and finance shall
23 credit the amount of the refund against taxes due in
24 the tax year beginning in the 1991 calendar year and
25 shall notify the applicable taxpayers of the credit.
26 Any amount of refund remaining after the credit has
27 been applied shall be refunded to the taxpayer."

28 3. Title page, line 4, by inserting after the
29 word "overseas," the following: "exempting from
30 taxation active duty military pay of certain national
31 guard personnel and armed forces reserve personnel,".

32 4. By renumbering as necessary.

By WILLIAM DIELEMAN

S-3414 FILED APRIL 15, 1991

A-Adopted, B-w/r 4/22/91 (7.1395)

Burke, ch.

Doderer

Renken

HSR 228

WAYS AND MEANS

HOUSE FILE

489

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON GRONINGA)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to providing additional state income tax filing
2 time periods for certain military personnel, exempting from
3 taxation income of persons killed in a combat zone or while
4 serving overseas, and providing a retroactive applicability
5 date and an effective 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
- 23

1 Section 1. Section 422.5, Code 1991, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 10. If an individual's federal income tax
4 was forgiven for a tax year under section 692 of the Internal
5 Revenue Code, because the individual was killed while serving
6 in an area designated by the president of the United States or
7 the United States Congress as a combat zone, the individual
8 was missing in action and presumed dead, or the individual was
9 killed outside the United States in a terroristic or military
10 action while the individual was a military or civilian
11 employee of the United States, the individual's Iowa income
12 tax is also forgiven for the same tax year.

13 Sec. 2. Section 422.21, Code 1991, is amended by adding
14 the following new unnumbered paragraph:

15 NEW UNNUMBERED PARAGRAPH. An individual in the armed
16 forces of the United States serving in an area designated by
17 the president of the United States or the United States
18 congress as a combat zone, or an individual serving in support
19 of those forces, is allowed the same additional time period
20 after leaving the combat zone, or after a period of continuous
21 hospitalization, to file a state income tax return or perform
22 other acts related to the department, as would constitute
23 timely filing of the return or timely performance of other
24 acts described in section 7508(a) of the Internal Revenue Code
25 or in the department's rules. The additional time period
26 allowed applies to the spouse of the individual described in
27 this paragraph to the extent the spouse files jointly or
28 separately on the combined return form with the individual or
29 when the spouse is a party with the individual to any matter
30 for which the additional time period is allowed. For the
31 purposes of this paragraph, the Internal Revenue Code shall be
32 interpreted to include the provisions of Pub. L. No. 102-2.

33 Sec. 3. This Act applies retroactively to August 2, 1990,
34 for tax years ending on or after that date.

35 Sec. 4. This Act, being deemed of immediate importance,

1 takes effect upon enactment.

2 EXPLANATION

3 This bill eliminates any state income tax liability for
4 military personnel killed while serving in a designated combat
5 zone, or missing in action and presumed dead, or for military
6 or civilian employees of the United States killed in a
7 military or terroristic action outside of the United States,
8 for the tax year in which falls the date of death and for
9 certain prior tax years.

10 The bill further provides individuals serving in a
11 designated combat zone or serving in support of the forces in
12 such a zone an additional 180 days after leaving the combat
13 zone or after release from hospitalization to file a state
14 income tax return or to perform other acts related to the
15 department of revenue and finance or specified in the federal
16 Internal Revenue Code. This is the same time period as
17 allowed in the federal Internal Revenue Code. If an
18 individual is hospitalized in the United States, the 180-day
19 time period begins to run after the fifth year of
20 hospitalization.

21 The bill takes effect upon enactment. The bill applies
22 retroactively to August 2, 1990, for tax years ending on or
23 after that date.

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

HOUSE FILE 489

AN ACT

RELATING TO PROVIDING ADDITIONAL STATE INCOME TAX FILING TIME PERIODS FOR CERTAIN MILITARY PERSONNEL, EXEMPTING FROM TAXATION INCOME OF PERSONS KILLED IN A COMBAT ZONE OR WHILE SERVING OVERSEAS, EXEMPTING FROM TAXATION ACTIVE DUTY MILITARY PAY OF CERTAIN NATIONAL GUARD PERSONNEL AND ARMED FORCES RESERVE PERSONNEL, AND PROVIDING A RETROACTIVE APPLICABILITY DATE AND AN EFFECTIVE DATE.

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

Section 1. Section 422.5, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 10. If an individual's federal income tax was forgiven for a tax year under section 692 of the Internal Revenue Code, because the individual was killed while serving in an area designated by the president of the United States or the United States Congress as a combat zone, the individual was missing in action and presumed dead, or the individual was killed outside the United States in a terroristic or military

action while the individual was a military or civilian employee of the United States, the individual's Iowa income tax is also forgiven for the same tax year.

Sec. 2. Section 422.7, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 24. Subtract to the extent included, active duty pay received by a person in the national guard or armed forces military reserve for services performed on or after August 2, 1990, pursuant to military orders related to the Persian Gulf Conflict.

Sec. 3. Section 422.21, Code 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. An individual in the armed forces of the United States serving in an area designated by the president of the United States or the United States Congress as a combat zone, or an individual serving in support of those forces, is allowed the same additional time period after leaving the combat zone, or after a period of continuous hospitalization, to file a state income tax return or perform other acts related to the department, as would constitute timely filing of the return or timely performance of other acts described in section 7508(a) of the Internal Revenue Code. For the purposes of this paragraph, "other acts related to the department" includes filing claims for refund for any tax administered by the department, making tax payments other than withholding payments, filing appeals on the tax matters, filing other tax returns, and performing other acts described in the department's rules. The additional time period allowed applies to the spouse of the individual described in this paragraph to the extent the spouse files jointly or separately on the combined return form with the individual or when the spouse is a party with the individual to any matter for which the additional time period is allowed. For the purposes of this paragraph, the Internal Revenue Code shall be interpreted to include the provisions of Pub. L. No. 102-2.

Sec. 4. This Act applies retroactively to August 2, 1990, for tax years ending on or after that date.

Sec. 5. This Act, being deemed of immediate importance, takes effect upon enactment.

ROBERT C. ARNOULD
Speaker of the House

JOE J. WELSH
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 489, Seventy-fourth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 22, 1991

TERRY E. BRANSTAD
Governor