

JAN 11 1995

WAYS AND MEANS

HOUSE FILE 21

BY VANDE HOEF and CORNELIUS

Passed House, Date _____ Passed Senate, Date _____

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

Approved _____

A BILL FOR

1 An Act relating to the definition of "designated person" for
2 purposes of the family farm tax credit and providing effective
3 and applicability dates.

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

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HF 21

1 Section 1. Section 425A.2, subsection 4, Code 1995, is
2 amended to read as follows:

3 4. "Designated person" means one of the following:

4 a. If the owner is an individual, the designated person
5 includes the owner of the tract or a person related to the
6 owner as spouse, parent, grandparent, child, grandchild,
7 stepchild, sibling, and their spouses.

8 b. If the owner is a partnership, a partner, or the
9 partner's spouse.

10 c. If the owner is a family farm corporation, a family
11 member who is a shareholder of the family farm corporation or
12 the shareholder's spouse.

13 d. If the owner is an authorized farm corporation, a
14 shareholder who owns at least fifty-one percent of the stock
15 of the authorized farm corporation or the shareholder's
16 spouse.

17 e. If the owner is an individual who leases the tract to a
18 family farm corporation, a shareholder of the corporation if
19 the combined stock of the family farm corporation owned by the
20 owner of the tract and persons related to the owner as
21 enumerated in paragraph "a" is equal to at least fifty-one
22 percent of the stock of the family farm corporation.

23 f. If the owner is an individual who leases the tract to a
24 partnership, a partner if the combined partnership interest
25 owned by the owner of the tract and persons related to the
26 owner as enumerated in paragraph "a" is equal to at least
27 fifty-one percent of the ownership interest of the
28 partnership.

29 Sec. 2. This Act takes effect January 1, 1996, and applies
30 to family farm tax credit claims filed on or after that date.

31 EXPLANATION

32 This bill amends the definition of "designated person" for
33 purposes of the family farm tax credit to include siblings of
34 the owner. The definition is also amended to include family
35 farm corporations and partnerships if the combined stock of

1 the corporation, or ownership interest of the partnership,
2 equal to at least 51 percent is owned by the owner of the land
3 and persons related to the owner as spouse, parent,
4 grandparent, child, grandchild, stepchild, sibling, or their
5 spouses.

6 The bill is effective January 1, 1996, and applies to
7 credit claims filed on or after that date.

8 This bill may include a state mandate as defined in section
9 25B.3.

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