

FEB 7 1996
EDUCATION

HOUSE FILE 2170
BY DINKLA and GREINER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing an income tax credit or deduction for tuition
2 paid to accredited postsecondary institutions in Iowa under
3 certain circumstances.

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

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HF 2170

1 Section 1. Section 422.9, subsection 2, Code Supplement
2 1995, is amended by adding the following new paragraph:
3 NEW PARAGRAPH. g. Add the amount, not to exceed twenty-
4 five percent of the actual tuition the taxpayer has paid for a
5 course of study leading to an associate or baccalaureate
6 degree for each dependent attending an accredited
7 postsecondary institution situated in Iowa. As used in this
8 paragraph, "accredited postsecondary institution" means an
9 institution of higher learning under the control of the state
10 board of regents, a community college established under
11 chapter 260C, or an accredited private institution as defined
12 in section 261.9.

13 Sec. 2. Section 422.12, Code Supplement 1995, is amended
14 by adding the following new subsection:

15 NEW SUBSECTION. 4. For those who do not itemize their
16 deductions, a tuition credit equal to one and one-quarter
17 percent of the actual tuition the taxpayer has paid for a
18 course of study leading to an associate or baccalaureate
19 degree for each dependent attending an accredited
20 postsecondary institution situated in Iowa. As used in this
21 subsection, "accredited postsecondary institution" means an
22 institution of higher learning under the control of the state
23 board of regents, a community college established under
24 chapter 260C, or an accredited private institution as defined
25 in section 261.9. Notwithstanding any other provision, all
26 other credits allowed under sections 422.12 and 422.12B shall
27 be deducted before the tuition credit under this subsection.

28 EXPLANATION

29 This bill provides a taxpayer with a tax credit or a tax
30 deduction for tuition paid to an accredited postsecondary
31 institution for each dependent attending an accredited
32 postsecondary institution located in Iowa. The amount that
33 may be deducted per dependent shall not exceed 25 percent of
34 the actual tuition paid, and the credit is equal to 1.25
35 percent of the tuition paid per dependent. The course of

1 study for which tuition is paid must lead to an associate or
2 baccalaureate degree.

3 As used in the bill, "accredited postsecondary institution"
4 means an institution of higher learning under the control of
5 the state board of regents, a community college, or an
6 accredited private institution of higher learning located in
7 Iowa.

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