

FEB 27 1996  
WAYS AND MEANS

HOUSE FILE 2384  
BY WARNSTADT

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act exempting interest earned from individual and joint  
2 accounts in Iowa financial institutions from the state  
3 individual income tax and providing a retroactive  
4 applicability date.

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

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HF 2384

1 Section 1. Section 422.7, Code Supplement 1995, is amended  
2 by adding the following new subsection:

3 NEW SUBSECTION. 35. Subtract interest, to the extent  
4 included in adjusted gross income, from individual or joint  
5 accounts in financial institutions located in the state.

6 Sec. 2. This Act applies retroactively to January 1, 1996,  
7 for tax years beginning on or after that date.

8 EXPLANATION

9 The bill exempts from state individual income tax the  
10 interest earned from individual and joint accounts in  
11 financial institutions located in the state.

12 The bill is retroactive to January 1, 1996, for tax years  
13 beginning on or after that date.

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