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SENATE FILE 2176

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McKEAN, HEDGE, RITTMER,  
LIND, REDFERN, BARTZ, BOETTGER,  
BORLAUG, PRIEBE, FREEMAN,  
and KIBBIE

Passed Senate, Date \_\_\_\_\_

Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the deduction for payments of premiums on  
2 health insurance and long-term care coverage and providing an  
3 effective date and retroactive applicability date provision.

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

S.F. 2176

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

3 NEW SUBSECTION. 35. Subtract, to the extent not otherwise  
4 deducted in computing adjusted gross income, the amounts paid  
5 by the taxpayer for the purchase of health benefits coverage  
6 or insurance, including coverage or insurance for long-term  
7 health and nursing care, for a person who is related to the  
8 taxpayer or taxpayer's spouse within the second degree of  
9 consanguinity.

10 Sec. 2. Section 422.9, subsection 2, paragraph i, Code  
11 Supplement 1995, is amended to read as follows:

12 i. If the taxpayer has a deduction for medical care  
13 expenses under section 213 of the Internal Revenue Code, the  
14 taxpayer shall recompute for the purposes of this subsection  
15 the amount of the deduction under section 213 by excluding  
16 from medical care, as defined in section 213, the amount  
17 subtracted under section 422.7, subsection 32 or 35, to the  
18 extent it constitutes medical care as defined in section 213.

19 Sec. 3. This Act, being deemed of immediate importance,  
20 takes effect upon enactment and applies retroactively to  
21 January 1, 1996, for tax years beginning on or after that  
22 date.

23 EXPLANATION

24 The bill allows a taxpayer to deduct in computing state  
25 individual income tax the amount paid for health insurance  
26 coverage, including coverage for long-term health and nursing  
27 care for a person who is related by blood from a common  
28 ancestor within the second degree. The bill takes effect upon  
29 enactment and applies retroactively to January 1, 1996, for  
30 tax years beginning on or after that date.

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