

3/23/95 W. & M.

FILED

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SENATE FILE 461

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PALMER, CONNOLLY, FINK, TINSMAN,
RITTMER, JENSEN, LUNDBY,
BORLAUG, and FREEMAN

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act increasing the amount of the personal exemption credits
2 under the state's individual income tax and providing
3 effective and applicability date provisions.

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

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S.F. 461

1 Section 1. Section 422.12, subsection 1, Code 1995, is
2 amended to read as follows:

3 1. A personal exemption credit in the following amounts:

4 a. For an estate or trust, a single individual, or a
5 married person filing a separate return, twenty forty dollars.

6 b. For a head of household, or a husband and wife filing a
7 joint return, forty eighty dollars.

8 c. For each dependent, an additional fifteen thirty
9 dollars. As used in this section, the term "dependent" has
10 the same meaning as provided by the Internal Revenue Code.

11 d. For a single individual, husband, wife, or head of
12 household, an additional exemption of twenty forty dollars for
13 each of said the individuals who has attained the age of
14 sixty-five years before the close of the tax year or on the
15 first day following the end of the tax year.

16 e. For a single individual, husband, wife, or head of
17 household, an additional exemption of twenty forty dollars for
18 each of said the individuals who is blind at the close of the
19 tax year. For the purposes of this paragraph, an individual
20 is blind only if the individual's central visual acuity does
21 not exceed twenty-two hundredths in the better eye with
22 correcting lenses, or if the individual's visual acuity is
23 greater than twenty-two hundredths but is accompanied by a
24 limitation in the fields of vision such that the widest
25 diameter of the visual field subtends an angle no greater than
26 twenty degrees.

27 Sec. 2. This Act, being deemed of immediate importance,
28 takes effect upon enactment and applies retroactively to
29 January 1, 1995, for tax years beginning on or after that
30 date.

31 EXPLANATION

32 The bill doubles the amount of the personal exemption
33 credits allowed for the state individual income tax. Thus,
34 the bill makes the credit for estates, trusts, single
35 individuals, and married persons filing a separate return \$40.

1 An additional credit of \$40 is also provided if one is 65
2 years of age or is blind. Married persons filing joint
3 returns and heads of households will get \$80 in credit. The
4 credit for dependents increases to \$30 per dependent.

5 The bill is effective upon enactment and applies
6 retroactively to January 1, 1995, for tax years beginning on
7 or after that date.

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**SENATE FILE 461
FISCAL NOTE****REQ. BY SENATOR BARTZ**

A fiscal note for **Senate File 461** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 461 doubles the amount of the personal exemption credits allowed for State individual income tax. The Bill establishes a \$40 credit for estates, trusts, single individuals, and married persons filing a separate return. An additional credit of \$40 is also provided if one is 65 years of age or is blind. Married persons filing joint returns and heads of households will get \$80 in credit. The credit for dependents increases to \$30 per dependent. The bill is effective upon enactment and applies retroactively to January 1, 1995, for tax years beginning on or after that date.

FISCAL IMPACT

The fiscal impact of SF 461 is expected to be a decrease in revenues to the General Fund of approximately \$39.3 million in FY 1996 and subsequent fiscal years. Approximately 25.0% of the impact is attributable to the dependent exemption, and approximately 75.0% is attributable to the personal exemption.

SOURCE

Legislative Tax Model

(LSB 1795SS, JAM)

FILED MARCH 30, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR