

FEB 9 1988

WAYS AND MEANS

HOUSE FILE

2183

BY LARSON

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to a deduction under the individual income tax of
 2 tuition paid which results in a certificate, diploma, or
 3 degree from a community college, or a degree from an
 4 accredited college or university, or similar institution, and
 5 including effective and retroactive applicability date
 6 provisions.

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

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HF 2183

1 Section 1. Section 422.7, Code Supplement 1997, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 26. a. Subtract twenty-five percent of
4 the total tuition paid which resulted in obtaining a
5 certificate, a diploma, or a degree from a community college
6 or a degree from an accredited college or university or
7 similar educational institution, if the taxpayer was employed
8 in a targeted job at any time during the tax year for which
9 the certificate, diploma, or degree was necessary.

10 b. For purposes of this subsection:

11 (1) "Targeted job" means a job classification designated
12 by the department of economic development as a key job for the
13 state which designation is in effect for the tax year.

14 (2) "Tuition" means the charges and fees paid for
15 attendance at a community college, college, or university, or
16 similar educational institution.

17 c. The department of economic development shall designate
18 for each tax year the targeted jobs to which the benefits of
19 this subsection apply.

20 Sec. 2. This Act, being deemed of immediate importance,
21 takes effect upon enactment and applies retroactively to
22 January 1, 1998, for tax years beginning on or after that
23 date.

24 EXPLANATION

25 The bill provides for an individual income tax deduction
26 for a taxpayer employed in a targeted job equal to 25 percent
27 of the tuition paid for a certificate, diploma, or degree from
28 a community college, or degree from a college or university,
29 or similar educational institution if the certificate,
30 diploma, or degree is necessary for employment in the targeted
31 job. The department of economic development designates for
32 each tax year targeted jobs for which this deduction is
33 applicable.

34 The bill takes effect upon enactment and applies
35 retroactively to January 1, 1998, for tax years beginning on

1 or after that date.

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