

FEB 13 1997  
WAYS AND MEANS

HOUSE FILE 219  
BY VAN FOSSEN and MILLAGE

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

**A BILL FOR**

1 An Act relating to a partial exemption for retirement income for  
2 purposes of state individual income taxation and providing a  
3 retroactive applicability date.

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

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HF 219

1 Section 1. Section 422.7, subsection 34, Code 1997, is  
2 amended to read as follows:

3 34. For a person who is disabled, or is fifty-five years  
4 of age or older, or is the surviving spouse of an individual  
5 or a survivor having an insurable interest in an individual  
6 who would have qualified for the exemption under this  
7 subsection for the tax year, subtract, to the extent included,  
8 the total amount of a governmental or other pension or  
9 retirement pay, including, but not limited to, defined benefit  
10 or defined contribution plans, annuities, individual  
11 retirement accounts, plans maintained or contributed to by an  
12 employer, or maintained or contributed to by a self-employed  
13 person as an employer, and deferred compensation plans or any  
14 earnings attributable to the deferred compensation plans, up  
15 to a maximum of ~~three~~ twelve thousand dollars for a person who  
16 files a separate state income tax return and up to a maximum  
17 of ~~six~~ twenty-four thousand dollars for a husband and wife who  
18 file a joint state income tax return. However, a surviving  
19 spouse who is not disabled or fifty-five years of age or older  
20 can only exclude the amount of pension or retirement pay  
21 received as a result of the death of the other spouse.

22 Sec. 2. This Act applies retroactively to January 1, 1997,  
23 for tax years beginning on or after that date.

24 EXPLANATION

25 This bill increases the state individual income tax  
26 exemption for retirement income from \$3,000 for individual  
27 filers and from \$6,000 for joint return filers to \$12,000 and  
28 \$24,000, respectively.

29 The bill applies retroactively to January 1, 1997, for tax  
30 years beginning on or after that date.

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