

JAN 14 1997  
WAYS AND MEANS

HOUSE FILE 22  
BY CHAPMAN

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

**A BILL FOR**

1 An Act allowing an individual income tax deduction for federal  
2 taxes paid under the Federal Insurance Contributions Act and  
3 the federal Railroad Retirement Tax Act and providing a  
4 retroactive applicability date provision.

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

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HF 22

1 Section 1. Section 422.9, subsection 1, Code 1997, is  
2 amended to read as follows:

3 1. An optional standard deduction, after deduction of  
4 federal income tax, social security taxes, and railroad  
5 retirement tax, equal to one thousand two hundred thirty  
6 dollars for a married person who files separately or a single  
7 person or equal to three thousand thirty dollars for a husband  
8 and wife who file a joint return, a surviving spouse, or an  
9 unmarried head of household. The optional standard deduction  
10 shall not exceed the amount remaining after deduction of the  
11 federal income tax, social security taxes, and railroad  
12 retirement tax. For purposes of this section, "social  
13 security taxes" means the amount of taxes required to be paid  
14 by the taxpayer for the tax year under the Federal Insurance  
15 Contributions Act which consists of the amount paid for old-  
16 age, survivors, and disability insurance and the amount paid  
17 for hospital insurance and "railroad retirement tax" means the  
18 amount of tax required to be paid by the taxpayer for the tax  
19 year under the federal Railroad Retirement Tax Act.

20 Sec. 2. Section 422.9, subsection 2, Code 1997, is amended  
21 by adding the following new paragraph:

22 NEW PARAGRAPH. f. Add the amount of social security taxes  
23 and railroad retirement tax required to be paid by the  
24 taxpayer for the tax year.

25 Sec. 3. This Act applies retroactively to January 1, 1997,  
26 for tax years beginning on or after that date.

27 EXPLANATION

28 The bill allows the deduction under the individual income  
29 tax for social security (FICA) and railroad retirement taxes  
30 paid by the taxpayer during the tax year. The deduction would  
31 be made whether the taxpayer takes the standard deduction or  
32 itemizes deductions.

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

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