

FEB 20 1997
WAYS AND MEANS

HOUSE FILE 316
BY VAN FOSSEN, MILLAGE,
CHURCHILL, LAMBERTI, RANTS,
BLODGETT, SUKUP, DIX,
HUSEMAN, MEYER, BODDICKER,
BARRY, EDDIE, KREMER, LARSON,
TYRRELL, and CORMACK

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the reduction in the state individual income
2 tax rates and providing a retroactive applicability date
3 provision.

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

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HF 316

1 Section 1. Section 422.5, subsection 1, paragraphs a
2 through i, Code 1997, are amended to read as follows:

3 a. On all taxable income from zero through one thousand
4 dollars, ~~four-tenths~~ thirty-two hundredths of one percent.

5 b. On all taxable income exceeding one thousand dollars
6 but not exceeding two thousand dollars, ~~eight-tenths~~ sixty-
7 four hundredths of one percent.

8 c. On all taxable income exceeding two thousand dollars
9 but not exceeding four thousand dollars, two and ~~seven-tenths~~
10 sixteen hundredths percent.

11 d. On all taxable income exceeding four thousand dollars
12 but not exceeding nine thousand dollars, ~~five~~ four percent.

13 e. On all taxable income exceeding nine thousand dollars
14 but not exceeding fifteen thousand dollars, ~~six~~ five and
15 ~~eight-tenths~~ forty-four hundredths percent.

16 f. On all taxable income exceeding fifteen thousand
17 dollars but not exceeding twenty thousand dollars, ~~seven~~ five
18 and ~~two-tenths~~ seventy-six hundredths percent.

19 g. On all taxable income exceeding twenty thousand dollars
20 but not exceeding thirty thousand dollars, ~~seven~~ six and
21 ~~fifty-five~~ four hundredths percent.

22 h. On all taxable income exceeding thirty thousand dollars
23 but not exceeding forty-five thousand dollars, ~~eight~~ seven and
24 ~~eight-tenths~~ four hundredths percent.

25 i. On all taxable income exceeding forty-five thousand
26 dollars, ~~nine~~ seven and ninety-eight hundredths percent.

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

29 EXPLANATION

30 The bill reduces the state individual income tax rates by
31 20 percent. The lowest and highest rates under present law
32 are .4 percent and 9.98 percent, respectively. Under the bill
33 these figures would be .32 percent and 7.98 percent.

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