

FEB 25 1997
WAYS AND MEANS

HOUSE FILE 340
BY WISE

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

A BILL FOR

1 An Act exempting interest from general obligation bonds and notes
2 issued by school districts the proceeds of which are used for
3 infrastructure projects.

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

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HF 340

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

3 NEW SUBSECTION. 35. Subtract, to the extent included,
4 interest earned on general obligation bonds or notes issued as
5 authorized in section 296.1 by a school district located in
6 the state for infrastructure purposes.

7 Sec. 2. Section 422.35, Code 1997, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 9. Subtract, to the extent included,
10 interest earned on general obligation bonds or notes issued as
11 authorized in section 296.1 by a school district located in
12 the state for infrastructure purposes.

13 EXPLANATION

14 This bill provides that interest from general obligation
15 bonds or notes issued by a school district in Iowa to be used
16 for infrastructure projects such as the construction,
17 reconstruction, repair, purchasing, or remodeling of
18 schoolhouses, stadiums, gyms, field houses, or bus garages is
19 exempt from state individual and corporate income taxes.

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