

SENATE CONCURRENT RESOLUTION NO. 8

BY McCOY

A Concurrent Resolution to request that the United States Congress amend the Internal Revenue Code to allow individuals to use premature distributions from tax-deferred annuities to pay for catastrophic illnesses without being subject to penalty.

WHEREAS, the health care system in the United States has undergone, and will continue to undergo, profound changes, that affect the quality and accessibility of health care services; and

WHEREAS, it remains a national goal to assure and expand access to health care for Americans; and

WHEREAS, it behooves government to encourage private sector solutions and the use of private resources to address the problem of paying health care costs; and

WHEREAS, section 72(q) of the Internal Revenue Code provides for imposition of a penalty for premature distributions from annuity contracts except for distributions made under specified circumstances; and

WHEREAS, a catastrophic illness suffered by a taxpayer, or spouse or dependent of the taxpayer, is not a specified circumstance under section 72(q) of the Internal Revenue Code; NOW THEREFORE,

BE IT RESOLVED BY THE SENATE, THE HOUSE OF REPRESENTATIVES CONCURRING, That the Iowa General Assembly requests the United States Congress to amend the Internal Revenue Code to allow premature distributions from tax-deferred annuities in the case

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1 of a catastrophic illness suffered by a taxpayer, or
2 spouse or dependent of the taxpayer, without being
3 subject to penalty.

4 BE IT FURTHER RESOLVED, That copies of this
5 Resolution be sent by the Secretary of the Senate to
6 the President of the United States, the President of
7 the United States Senate, the Speaker of the United
8 States House of Representatives, and Iowa's
9 congressional delegation.

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