

SENATE FILE 158
BY DVORSKY

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

A BILL FOR

1 An Act exempting unemployment compensation from the state
2 individual income tax and providing a retroactive
3 applicability date provision.

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

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S.F. 158

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

3 NEW SUBSECTION. 35. Subtract unemployment compensation
4 received during the tax year to the extent included pursuant
5 to section 85 of the Internal Revenue Code.

6 Sec. 2. APPLICABILITY DATE. This Act applies
7 retroactively to January 1, 1997, for tax years beginning on
8 or after that date.

9 EXPLANATION

10 Presently, benefits received as unemployment compensation
11 are taxed for federal and state individual income tax
12 purposes. The bill exempts these benefits from the state
13 individual income tax.

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

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