

FILED JAN 21 1998

SENATE FILE 2047
BY RIFE

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

A BILL FOR

1 An Act relating to the deduction of amounts paid for long-term
2 nursing home care insurance for purposes of the state
3 individual income tax and providing an effective and
4 retroactive applicability date provision.

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

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S.F. 2047

1 Section 1. Section 422.7, subsection 32, Code Supplement
2 1997, is amended to read as follows:

3 32. Subtract, to the extent not otherwise deducted in
4 computing adjusted gross income, the amounts paid by the
5 taxpayer for the purchase of health benefits coverage or
6 insurance for the taxpayer or taxpayer's spouse or dependent.
7 "Health benefits coverage or insurance" includes insurance for
8 long-term nursing home care.

9 Sec. 2. Section 422.9, subsection 2, paragraph i, Code
10 Supplement 1997, is amended to read as follows:

11 i. If the taxpayer has a deduction for medical care
12 expenses under section 213 of the Internal Revenue Code, the
13 taxpayer shall recompute for the purposes of this subsection
14 the amount of the deduction under section 213 by excluding
15 from medical care, as defined in section 213, the amount
16 subtracted under section 422.7, subsection 32, to the extent
17 it constitutes medical care as defined in section 213.

18 Sec. 3. EFFECTIVE AND APPLICABILITY DATES. This Act,
19 being deemed of immediate importance, takes effect upon
20 enactment and applies retroactively to January 1, 1998, for
21 tax years beginning on or after that date.

22 EXPLANATION

23 The bill specifies that a deduction from income for
24 purposes of the state individual income tax is allowed for the
25 amount paid for insurance purchased for long-term nursing home
26 care.

27 The bill takes effect upon enactment and applies
28 retroactively to January 1, 1998, for tax years beginning on
29 or after that date.

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