

SENATE FILE  
BY TINSMAN

48

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing an exemption from state individual income tax  
2 for pensions, annuities, and retirement allowances received  
3 and providing a retroactive applicability date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

S.F. 48

1 Section 1. Section 422.7, subsection 34, Code 1997, is  
2 amended to read as follows:

3 34. For a person who is disabled, or is fifty-five years  
4 of age or older, or is the surviving spouse of an individual  
5 or a survivor having an insurable interest in an individual  
6 who would have qualified for the exemption under this  
7 subsection for the tax year, subtract, to the extent included,  
8 the total amount of a governmental or other pension or  
9 retirement pay, including, but not limited to, defined benefit  
10 or defined contribution plans, annuities, individual  
11 retirement accounts, plans maintained or contributed to by an  
12 employer, or maintained or contributed to by a self-employed  
13 person as an employer, and deferred compensation plans or any  
14 earnings attributable to the deferred compensation plans, up  
15 ~~to a maximum of three thousand dollars for a person who files~~  
16 ~~a separate state income tax return and up to a maximum of six~~  
17 ~~thousand dollars for a husband and wife who file a joint state~~  
18 ~~income tax return.~~ However, a surviving spouse who is not  
19 disabled or fifty-five years of age or older can only exclude  
20 the amount of pension or retirement pay received as a result  
21 of the death of the other spouse.

22 Sec. 2. APPLICABILITY. This Act applies retroactively to  
23 January 1, 1997, for tax years beginning on or after that  
24 date.

25 EXPLANATION

26 This bill allows certain persons to deduct the total amount  
27 of all types of pension income in computing income for state  
28 individual income tax purposes. Current law allows a  
29 deduction of pension income of up to a maximum of \$3,000 for a  
30 person who files a separate return and \$6,000 for a husband  
31 and wife who file a joint return.

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

34

35