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SENATE FILE 60

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SZYMONIAK, BORLAUG, and
KING

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

A BILL FOR

1 An Act relating to a deduction for payments made for health
2 insurance and long-term health and nursing care coverage and
3 providing a retroactive applicability date provision.

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

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S.F. 60

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 not otherwise
4 deducted in computing adjusted gross income, the amounts paid
5 by the taxpayer for the purchase of health benefits coverage
6 or insurance, including coverage or insurance for long-term
7 health and nursing care, for the taxpayer, the taxpayer's
8 spouse, or a person who is related to the taxpayer or
9 taxpayer's spouse within the second degree of consanguinity.

10 Sec. 2. Section 422.9, subsection 2, paragraph i, Code
11 1997, is amended to read as follows:

12 i. If the taxpayer has a deduction for medical care
13 expenses under section 213 of the Internal Revenue Code, the
14 taxpayer shall recompute for the purposes of this subsection
15 the amount of the deduction under section 213 by excluding
16 from medical care, as defined in section 213, the amount
17 subtracted under section 422.7, subsection 32 or 35, to the
18 extent it constitutes medical care as defined in section 213.

19 Sec. 3. This Act applies retroactively to January 1, 1997,
20 for tax years beginning on or after that date.

21 EXPLANATION

22 The bill allows a taxpayer to deduct in computing state
23 individual income tax the amount paid for health insurance
24 coverage, including coverage for long-term health and nursing
25 care for the taxpayer, the taxpayer's spouse, or a person who
26 is related by blood from a common ancestor within the second
27 degree. The bill applies retroactively to January 1, 1997,
28 for tax years beginning on or after that date.

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