

FILED JAN 13 1997

SENATE FILE 9
BY DELUHERY

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

A BILL FOR

1 An Act relating to the exemption of pensions, annuities, and
2 retirement allowances received for the purposes of state
3 individual income tax and providing a retroactive
4 applicability date.

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

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S.F. 9

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.

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