

FEB 8 2000
WAYS AND MEANS

HOUSE FILE 2188
BY SCHRADER, FALCK, MURPHY,
REYNOLDS, BELL, WISE, CONNORS,
CHIDO, T. TAYLOR, FORD, LARKIN,
FREVERT, GREIMANN, MAY, MYERS,
DOTZLER, OSTERHAUS, KREIMAN,
CATALDO, KUHN, MUNDIE, MASCHER,
JOCHUM, WEIGEL, FOEGE, O'BRIEN,
HOLVECK, and RICHARDSON

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

A BILL FOR

1 An Act relating to the increase in the pension and retirement
2 income deduction under the individual income tax and including
3 an effective and retroactive applicability date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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HF 2188

1 Section 1. Section 422.7, subsection 31, Code 1999, is
2 amended to read as follows:

3 31. 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 five six thousand dollars for a person, other
16 than a husband or wife, who files a separate state income tax
17 return and up to a maximum of ten twelve thousand dollars for
18 a husband and wife who file a joint state income tax return.
19 However, a surviving spouse who is not disabled or fifty-five
20 years of age or older can only exclude the amount of pension
21 or retirement pay received as a result of the death of the
22 other spouse. A husband and wife filing separate state income
23 tax returns or separately on a combined state return are
24 allowed a combined maximum exclusion under this subsection of
25 up to ten twelve thousand dollars. The ten twelve thousand
26 dollar exclusion shall be allocated to the husband or wife in
27 the proportion that each spouse's respective pension and
28 retirement pay received bears to total combined pension and
29 retirement pay received.

30 Sec. 2. EFFECTIVE AND APPLICABILITY DATES. This Act,
31 being deemed of immediate importance, takes effect upon
32 enactment and applies retroactively to January 1, 2000, for
33 tax years beginning on or after that date.

34 EXPLANATION

35 This bill increases the pension and retirement income

1 deduction from \$5,000 for single filers and \$10,000 for
2 married persons to \$6,000 and \$12,000 respectively. The bill
3 is retroactively applicable to January 1, 2000, for tax years
4 beginning on or after that date.

5 The bill takes effect upon enactment.

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