

5-3/28/00 W & Means
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WAYS & MEANS CALENDAR

2542

HOUSE FILE

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2338)

Passed House, (P. 1029)	Date <u>3/28/00</u>	Passed Senate, (P. 992)	Date <u>4/4/00</u>
Vote: Ayes <u>97</u>	Nays <u>0</u>	Vote: Ayes <u>48</u>	Nays <u>0</u>
Approved <u>4-14-00</u>			

A BILL FOR

1 An Act relating to distributions made to and income from missing
 2 property of certain persecuted victims of World War II and
 3 their heirs, including effective and retroactive applicability
 4 dates.

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

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HF 2542

1 Section 1. NEW SECTION. 217.39 PERSECUTED VICTIMS OF
2 WORLD WAR II AND THEIR HEIRS.

3 Notwithstanding any other law of this state, payments paid
4 to and income from lost property of a victim of persecution
5 for racial, ethnic, or religious reasons by Nazi Germany or
6 any other Axis regime or as an heir of such victim which is
7 exempt from state income tax as provided in section 422.7,
8 subsection 35, shall not be considered as income or an asset
9 for determining the eligibility for state or local government
10 benefit or entitlement programs. The proceeds are not subject
11 to recoupment for the receipt of governmental benefits or
12 entitlements and liens, except liens for child support, are
13 not enforceable against these sums for any reason.

14 Sec. 2. Section 422.7, Code 1999, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 35. Subtract, to the extent included, the
17 following:

18 a. Payments made to the taxpayer because of his or her
19 status as a victim of persecution for racial, ethnic, or
20 religious reasons by Nazi Germany or any other Axis regime or
21 as an heir of such victim.

22 b. Items of income attributable to, derived from, or in
23 any way related to assets stolen from, hidden from, or
24 otherwise lost to a victim of persecution for racial, ethnic,
25 or religious reasons by Nazi Germany or any other Axis regime
26 immediately prior to, during, and immediately after World War
27 II, including, but not limited to, interest on the proceeds
28 receivable as insurance under policies issued to a victim of
29 persecution for racial, ethnic, or religious reasons by Nazi
30 Germany or any other Axis regime by European insurance
31 companies immediately prior to and during World War II.
32 However, income from assets acquired with such assets or with
33 the proceeds from the sale of such assets shall not be
34 subtracted. This paragraph shall only apply to a taxpayer who
35 was the first recipient of such assets after recovery of the

1 assets and who is a victim of persecution for racial, ethnic,
2 or religious reasons by Nazi Germany or any other Axis regime
3 or is an heir of such victim.

4 Sec. 3. EFFECTIVE AND APPLICABILITY DATE. This Act, being
5 deemed of immediate importance, takes effect upon enactment.
6 Section 2 of this Act applies retroactively to January 1,
7 2000, for tax years beginning on or after that date.

8 EXPLANATION

9 This bill provides that certain payments made to and income
10 from lost property of a victim of racial, ethnic, or religious
11 persecution by any Axis power or the heirs of such victims are
12 not to be considered as income or assets in determining
13 eligibility for state or local governmental benefit or
14 entitlement programs. In addition, such payments and income
15 are not included in net income for purposes of the individual
16 income tax.

17 The bill takes effect upon enactment and the income tax
18 provision applies retroactively to January 1, 2000, for tax
19 years beginning on or after that date.

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HOUSE FILE 2542

AN ACT
RELATING TO DISTRIBUTIONS MADE TO AND INCOME FROM MISSING
PROPERTY OF CERTAIN PERSECUTED VICTIMS OF WORLD WAR II
AND THEIR HEIRS, INCLUDING EFFECTIVE AND RETROACTIVE
APPLICABILITY DATES.

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

Section 1. NEW SECTION. 217.39 PERSECUTED VICTIMS OF
WORLD WAR II AND THEIR HEIRS.

Notwithstanding any other law of this state, payments paid
to and income from lost property of a victim of persecution
for racial, ethnic, or religious reasons by Nazi Germany or

any other Axis regime or as an heir of such victim which is
exempt from state income tax as provided in section 422.7,
subsection 35, shall not be considered as income or an asset
for determining the eligibility for state or local government
benefit or entitlement programs. The proceeds are not subject
to recoupment for the receipt of governmental benefits or
entitlements and liens, except liens for child support, are
not enforceable against these sums for any reason.

Sec. 2. Section 422.7, Code 1999, is amended by adding the
following new subsection:

NEW SUBSECTION. 35. Subtract, to the extent included, the
following:

a. Payments made to the taxpayer because of his or her
status as a victim of persecution for racial, ethnic, or
religious reasons by Nazi Germany or any other Axis regime or
as an heir of such victim.

b. Items of income attributable to, derived from, or in
any way related to assets stolen from, hidden from, or
otherwise lost to a victim of persecution for racial, ethnic,
or religious reasons by Nazi Germany or any other Axis regime
immediately prior to, during, and immediately after World War
II, including, but not limited to, interest on the proceeds
receivable as insurance under policies issued to a victim of
persecution for racial, ethnic, or religious reasons by Nazi
Germany or any other Axis regime by European insurance
companies immediately prior to and during World War II.
However, income from assets acquired with such assets or with
the proceeds from the sale of such assets shall not be
subtracted. This paragraph shall only apply to a taxpayer who
was the first recipient of such assets after recovery of the
assets and who is a victim of persecution for racial, ethnic,
or religious reasons by Nazi Germany or any other Axis regime
or is an heir of such victim.

Sec. 3. EFFECTIVE AND APPLICABILITY DATE. This Act, being
deemed of immediate importance, takes effect upon enactment.

HF 2542

Section 2 of this Act applies retroactively to January 1, 2000, for tax years beginning on or after that date.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2542, Seventy-eighth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved 4-14, 2000

THOMAS J. VILSACK
Governor