

FEB 11 1999
WAYS AND MEANS

HOUSE FILE 256
BY BRADLEY, VAN FOSSEN,
and WITT

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

A BILL FOR

1 An Act providing an individual and corporate tax credit for the
2 acquisition of assistive technology or the modification of the
3 workplace in order to assist persons with a disability in the
4 workplace and including an effective and applicability date
5 provision.

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

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HF 256

1 Section 1. NEW SECTION. 422.11D ASSISTIVE DEVICE TAX
2 CREDIT -- SMALL BUSINESS.

3 1. The taxes imposed under this division, less the credits
4 allowed under sections 422.12 and 422.12B, shall be reduced by
5 an assistive device tax credit. A small business purchasing
6 or renting an assistive device or making workplace
7 modifications for purposes of an individual with a disability
8 who is employed or will be employed by the business is
9 entitled to receive this assistive device tax credit which is
10 equal to fifty percent of the cost paid during the tax year
11 for the purchase or rental of the assistive device or for
12 making the workplace modifications. Any credit in excess of
13 the tax liability shall be refunded with interest computed
14 under section 422.25. In lieu of claiming a refund, a
15 taxpayer may elect to have the overpayment shown on the
16 taxpayer's final, completed return credited to the tax
17 liability for the following tax year.

18 2. An individual may claim an assistive device tax credit
19 allowed a partnership, limited liability company, S
20 corporation, estate, or trust electing to have the income
21 taxed directly to the individual. The amount claimed by the
22 individual shall be based upon the pro rata share of the
23 individual's earnings of the partnership, limited liability
24 company, S corporation, estate, or trust.

25 3. For purposes of this section:

26 a. "Assistive device" means any item, piece of equipment,
27 or product system which is used to increase, maintain, or
28 improve the functional capabilities of an individual with a
29 disability in the workplace or on the job. "Assistive device"
30 does not mean any medical device, surgical device, or organ
31 implanted or transplanted into or attached directly to an
32 individual. "Assistive device" does not include any device
33 for which a certificate of title is issued by the state
34 department of transportation, but does include any item, piece
35 of equipment, or product system otherwise meeting the

1 definition of "assistive device" that is incorporated,
2 attached, or included as a modification in or to such a device
3 issued a certificate of title.

4 b. "Disability" means any physiological disorder or
5 condition, cosmetic disfigurement, or anatomical loss
6 affecting one or more of the body systems or any mental or
7 psychological disorder, including mental retardation, organic
8 brain syndrome, emotional or mental illness and specific
9 learning disabilities.

10 c. "Small business" means a business that either had gross
11 receipts for its preceding tax year of three million dollars
12 or less or employed not more than fifteen full-time employees
13 during its preceding tax year.

14 d. "Workplace modifications" means physical alterations to
15 the work environment.

16 Sec. 2. Section 422.33, Code 1999, is amended by adding
17 the following new subsection:

18 NEW SUBSECTION. 8. The taxes imposed under this division
19 shall be reduced by an assistive device tax credit. A small
20 business purchasing or renting an assistive device or making
21 workplace modifications for purposes of an individual with a
22 disability who is employed or will be employed by the business
23 is entitled to receive this assistive device tax credit which
24 is equal to fifty percent of the cost paid during the tax year
25 for the purchase or rental of the assistive device or for
26 making the workplace modifications. Any credit in excess of
27 the tax liability shall be refunded with interest computed
28 under section 422.25. In lieu of claiming a refund, a
29 taxpayer may elect to have the overpayment shown on the
30 taxpayer's final, completed return credited to the tax
31 liability for the following tax year.

32 a. For purposes of this subsection, "assistive device"
33 means any item, piece of equipment, or product system which is
34 used to increase, maintain, or improve the functional
35 capabilities of an individual with a disability in the

1 workplace or on the job. "Assistive device" does not mean any
2 medical device, surgical device, or organ implanted or
3 transplanted into or attached directly to an individual.
4 "Assistive device" does not include any device for which a
5 certificate of title is issued by the state department of
6 transportation, but does include any item, piece of equipment,
7 or product system otherwise meeting the definition of
8 "assistive device" that is incorporated, attached, or included
9 as a modification in or to such a device issued a certificate
10 of title.

11 b. "Disability" means any physiological disorder or
12 condition, cosmetic disfigurement, or anatomical loss
13 affecting one or more of the body systems or any mental or
14 psychological disorder, including mental retardation, organic
15 brain syndrome, emotional or mental illness, and specific
16 learning disabilities.

17 c. "Small business" means a business that either had gross
18 receipts for its preceding tax year of three million dollars
19 or less or employed not more than fifteen full-time employees
20 during its preceding tax year.

21 d. "Workplace modifications" means physical alterations to
22 the work environment.

23 Sec. 3. This Act, being deemed of immediate importance,
24 takes effect upon enactment and applies retroactively to
25 January 1, 1999, for tax years beginning on or after that
26 date.

27 EXPLANATION

28 The bill allows a tax credit equal to 50 percent of the
29 cost of the purchase or rental of an assistive device or for
30 the renovation of the workplace for purposes of an individual
31 with a disability. The credit is refundable and applies to
32 both the individual and corporate income taxes. Only small
33 businesses are entitled to the credit. A small business is
34 one that either had gross receipts in the preceding tax year
35 of \$3 million or less or employed not more than 15 full-time

1 employees during its preceding tax year. An assistive device
2 is an item, piece of equipment, or product system which is
3 used to increase, maintain, or improve the functional
4 capabilities of an individual with a disability in the
5 workplace or on the job.

6 | The bill takes effect upon enactment and applies
7 retroactively to January 1, 1999, for tax years beginning on
8 or after that date.

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