

FEB 15 1999
WAYS AND MEANS

HOUSE FILE 274
BY GARMAN

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

A BILL FOR

1 An Act relating to the medical care deduction when itemizing
2 deductions under the state individual income tax and including
3 a retroactive applicability date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 274

1 Section 1. Section 422.9, subsection 2, paragraph i, Code
2 1999, is amended to read as follows:

3 i. ~~if-the-taxpayer-has-a~~ In computing the deduction for
4 medical care expenses under section 213 of the Internal
5 Revenue Code, the taxpayer shall ~~recompute~~ compute for the
6 purposes of this subsection the amount of the deduction under
7 section 213 based upon medical expenses exceeding three
8 percent of federal adjusted gross income and by excluding from
9 medical care, as defined in section 213, the amount subtracted
10 under section 422.7, subsection 3~~2~~ 29.

11 Sec. 2. RETROACTIVE EFFECTIVE DATE. This Act applies
12 retroactively to January 1, 1999, for tax years beginning on
13 or after that date.

14 EXPLANATION

15 Under present law when itemizing for state individual
16 income tax purposes, a taxpayer may deduct medical and dental
17 expenses which have not been reimbursed in excess of 7.5
18 percent of federal adjusted gross income. This bill reduces
19 the 7.5 percent floor to 3.0 percent. The bill also corrects
20 a mistaken reference.

21 The bill applies retroactively to January 1, 1999, for tax
22 years beginning on or after that date.

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