

JAN 11 1999

WAYS AND MEANS

HOUSE FILE 6

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BARRY, BRADLEY, GIPP, HAHN,  
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RANTS, CORMACK, VAN ENGELENHOVEN,  
JACOBS, and METCALF

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act exempting social security benefits from the state  
2 individual income tax and including a retroactive effective  
3 date provision.

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

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HF 6

1 Section 1. Section 422.7, subsection 13, Code 1999, is  
2 amended to read as follows:

3 13. Subtract, to the extent included, the amount of  
4 additional social security benefits taxable under the Internal  
5 Revenue Code for tax years beginning on or after January 1,  
6 1994, but before January 1, 1999. The amount of social  
7 security benefits taxable as provided in section 86 of the  
8 Internal Revenue Code, as amended up to and including January  
9 1, 1993, continues to apply for state income tax purposes for  
10 tax years beginning on or after January 1, 1994, but before  
11 January 1, 1999. Married taxpayers, who file a joint federal  
12 income tax return and who elect to file separate returns or  
13 who elect separate filing on a combined return for state  
14 income tax purposes, shall allocate between the spouses the  
15 amount of benefits subtracted from net income in the ratio of  
16 the social security benefits received by each spouse to the  
17 total of these benefits received by both spouses.

18 Subtract, to the extent included, the amount of social  
19 security benefits taxable under the Internal Revenue Code for  
20 tax years beginning on or after January 1, 1999.

21 Sec. 2. This Act applies retroactively to January 1, 1999,  
22 for tax years beginning on or after that date.

23 EXPLANATION

24 The bill exempts from the state individual income tax all  
25 social security benefits received by the taxpayer. The bill  
26 applies retroactively to January 1, 1999, for tax years  
27 beginning on or after that date.

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