

FILED JAN 10 2000

SENATE FILE

2004

BY TINGMAN, ANGELO, SHEARER,
SYMOMIAK, DELUHERY, VEENSTRA,
AND RITTMER

Passed Senate, Date _____ Passed House, 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 or modification of assistive technology or the
3 modification of the workplace in order to assist persons with
4 a disability in the workplace and including an effective and
5 retroactive applicability date provision.

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

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SF 2004
WAYS & MEANS

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 renting, or modifying an assistive device or making workplace
7 modifications for an individual with a disability who is
8 employed or will be employed by the small business is entitled
9 to receive this assistive device tax credit which is equal to
10 fifty percent of the cost paid during the tax year for the
11 purchase, rental, or modification of the assistive device or
12 for making the workplace modifications. Any credit in excess
13 of 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. If the small business
18 elects to take the assistive device tax credit, the small
19 business shall reduce the deduction for the costs of
20 purchasing, renting, or modifying an assistive device or
21 making workplace modifications by the amount of the credit.

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

29 3. For purposes of this section:
30 a. "Assistive device" means any item, piece of equipment,
31 or product system which is used to increase, maintain, or
32 improve the functional capabilities of an individual with a
33 disability in the workplace or on the job. "Assistive device"
34 does not mean any medical device, surgical device, or organ
35 implanted or transplanted into or attached directly to an

1 individual. "Assistive device" does not include any device
2 for which a certificate of title is issued by the state
3 department of transportation, but does include any item, piece
4 of equipment, or product system otherwise meeting the
5 definition of "assistive device" that is incorporated,
6 attached, or included as a modification in or to such a device
7 issued a certificate of title.

8 b. "Disability" means the same as defined in section
9 225C.46.

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 fourteen 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 Supplement 1999, is amended
17 by adding the following new subsection:

18 NEW SUBSECTION. 9. The taxes imposed under this division
19 shall be reduced by an assistive device tax credit. A small
20 business purchasing, renting, or modifying an assistive device
21 or making workplace modifications for purposes of an
22 individual with a disability who is employed or will be
23 employed by the small business is entitled to receive this
24 assistive device tax credit which is equal to fifty percent of
25 the cost paid during the tax year for the purchase, rental, or
26 modification of the assistive device or for making the
27 workplace modifications. Any credit in excess of the tax
28 liability shall be refunded with interest computed under
29 section 422.25. In lieu of claiming a refund, a taxpayer may
30 elect to have the overpayment shown on the taxpayer's final,
31 completed return credited to the tax liability for the
32 following tax year. If the small business elects to take the
33 assistive device tax credit, the small business shall reduce
34 the deduction for the costs of purchasing, renting, or
35 modifying an assistive device or making workplace

1 modifications by the amount of the credit.

2 a. For purposes of this subsection, "assistive device"
3 means any item, piece of equipment, or product system which is
4 used to increase, maintain, or improve the functional
5 capabilities of an individual with a disability in the
6 workplace or on the job. "Assistive device" does not mean any
7 medical device, surgical device, or organ implanted or
8 transplanted into or attached directly to an individual.
9 "Assistive device" does not include any device for which a
10 certificate of title is issued by the state department of
11 transportation, but does include any item, piece of equipment,
12 or product system otherwise meeting the definition of
13 "assistive device" that is incorporated, attached, or included
14 as a modification in or to such a device issued a certificate
15 of title.

16 b. "Disability" means the same as defined in section
17 225C.46.

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

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

24 Sec. 3. EFFECTIVE AND RETROACTIVE APPLICABILITY DATE.

25 This Act, being deemed of immediate importance, takes effect
26 upon enactment and applies retroactively to January 1, 2000,
27 for tax years beginning on or after that date.

28 EXPLANATION

29 The bill allows a tax credit equal to 50 percent of the
30 cost of the purchase, rental, or modification of an assistive
31 device or for the renovation of the workplace for an
32 individual with a disability. The credit is refundable and
33 applies to both the individual and corporate income taxes.
34 Only small businesses are entitled to the credit. A small
35 business is one that either had gross receipts in the

1 preceding tax year of \$3 million or less or employed not more
2 than 14 full-time employees during its preceding tax year. An
3 assistive device is an item, piece of equipment, or product
4 system which is used to increase, maintain, or improve the
5 functional capabilities of an individual with a disability in
6 the workplace or on the job.

7 The bill takes effect upon enactment and applies
8 retroactively to January 1, 2000, for tax years beginning on
9 or after that date.

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