

FILED FEB 14 2000

SENATE FILE
BY REHBERG

2153

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

A BILL FOR

1 An Act providing a child care tax credit under the individual
2 income tax for certain families and including a retroactive
3 applicability date provision.

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

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SF 2153
WAYS & MEANS

1 Section 1. NEW SECTION. 422.12F CHILD CARE TAX CREDIT.

2 1. The taxes imposed under this division, less the credits
3 allowed under section 422.12 and section 422.12B, shall be
4 reduced by a child care tax credit for married taxpayers where
5 one spouse is not gainfully employed for more than one hundred
6 four hours during each calendar quarter during the tax year
7 and that spouse provides household services and care for a
8 qualifying child. The amount of the credit is equal to two
9 hundred fifty dollars for each qualified child.

10 2. Any credit in excess of the tax liability is
11 nonrefundable. The credit is only available to married
12 taxpayers filing jointly. A taxpayer shall not claim a credit
13 under this section and section 422.12C for the same tax year.

14 3. "Qualifying child" means a dependent with respect to
15 whom the taxpayer is entitled to a deduction under section
16 151(c) of the Internal Revenue Code who is a child, stepchild,
17 or adopted child, or other lineal descendent of the taxpayer
18 and who is less than six years of age at the end of the tax
19 year.

20 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
21 retroactively to January 1, 2000, for tax years beginning on
22 or after that date.

23 EXPLANATION

24 This bill provides a \$250 individual income tax credit for
25 each qualified child for married taxpayers where one spouse
26 remains at home to provide household services and care for a
27 qualifying child and is not gainfully employed for more than
28 104 hours during each calendar quarter during the tax year.

29 A qualifying child is a dependent who is a child,
30 stepchild, adopted child, or other lineal descendent of the
31 taxpayer who is less than six years old at the end of the tax
32 year.

33 The bill applies retroactively to January 1, 2000, for tax
34 years beginning on or after that date.

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