

FILED FEB 22 2000

SENATE FILE

2230

BY REHBERG, KING, and McKIBBEN

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

A BILL FOR

1 An Act providing that bonds issued for school infrastructure  
2 purposes shall be exempt from state income tax.

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

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SF 2230 WAYS & MEANS

1 Section 1. NEW SECTION. 296.8 TAX EXEMPTION.

2 Any bonds or notes issued by a school district for school  
3 infrastructure purposes shall be exempt from taxation by this  
4 state and the interest on the bonds or notes shall be exempt  
5 from state income tax. For the purposes of this section,  
6 school infrastructure purposes shall refer to the purposes  
7 specified in section 296.1.

8 Sec. 2. Section 422.7, Code 1999, is amended by adding the  
9 following new subsection:

10 NEW SUBSECTION. 35. Subtract interest earned on bonds and  
11 notes issued by a school district for school infrastructure  
12 purposes as provided in section 296.8.

13 EXPLANATION

14 This bill provides that any bonds or notes issued by a  
15 school district for school infrastructure purposes shall be  
16 exempt from taxation by the state and the interest on the  
17 bonds or notes shall be exempt from state income tax. The  
18 bill provides that school infrastructure purposes shall refer  
19 to the purposes specified in Code section 296.1. These  
20 purposes include the cost of purchasing, building, furnishing,  
21 reconstructing, repairing, improving or remodeling a  
22 schoolhouse or schoolhouses and additions thereto, a  
23 gymnasium, stadium, field house, school bus garage, teachers'  
24 or superintendent's home or homes, and procuring a site or  
25 sites therefore, or purchasing land to add to a site already  
26 owned, or procuring and improving a site for an athletic  
27 field, or improving a site already owned for an athletic  
28 field.

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