

FILED MAR 9 1999

SENATE FILE
BY REHBERG

350

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

A BILL FOR

1 An Act relating to the deduction of certain distributions in
2 computing the state corporate income tax and including a
3 retroactive applicability date provision.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

350

WAYS & MEANS

1 Section 1. Section 422.35, Code 1999, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 18. Subtract, to the extent included in
4 federal taxable income, the amount of dividends paid or
5 distributions made to a shareholder during the tax year to the
6 extent the dividends or distributions are taxable to the
7 shareholder. Subtract the amount of dividends paid or
8 distributions made to a shareholder during the tax year, which
9 amount was previously subject to Iowa corporate income tax, to
10 the extent the dividends or distributions are taxable to the
11 shareholder.

12 Sec. 2. APPLICABILITY. This Act applies retroactively to
13 January 1, 1999, for tax years beginning on or after that
14 date.

15 EXPLANATION

16 The bill provides under the corporate income tax a
17 deduction for dividends or distributions made to the extent
18 the dividends or distributions are taxable to the shareholder
19 if the amount is or was taxable for state corporate tax
20 purposes.

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

23
24
25
26
27
28
29
30
31
32
33
34
35