

FEB 14 2002  
WAYS AND MEANS

HOUSE FILE 2352  
BY ELGIN and SHEY

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

**A BILL FOR**

1 An Act providing an Iowa individual income tax checkoff for  
2 deposit in the free health clinic fund, making an  
3 appropriation, and providing a retroactive applicability date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2352

1 Section 1. NEW SECTION. 135.26 FREE HEALTH CLINIC FUND.

2 1. A free health clinic fund is created in the state  
3 treasury under the control of the department. The fund is  
4 composed of moneys appropriated or available to and obtained  
5 or accepted by the treasurer of state for deposit in the fund.  
6 The fund shall include moneys credited to the fund as provided  
7 in section 422.12F, and moneys in the form of a devise, gift,  
8 bequest, donation, or federal or other grant intended to be  
9 used for the purposes of the fund.

10 2. Notwithstanding section 12C.7, subsection 2, interest  
11 or earnings on moneys in the fund shall be credited to the  
12 fund. Section 8.33 does not apply to moneys in the fund.

13 3. Moneys in the fund are appropriated to the department  
14 of public health for the purposes of providing financial  
15 assistance to public and private organizations for  
16 constructing, equipping, or operating free health clinics in  
17 the state.

18 4. The department may make awards of financial assistance  
19 upon approval of an application from a private or public  
20 organization. An applicant shall submit a plan for use of the  
21 funds along with its application. The department, in  
22 conjunction with the health facilities council, shall  
23 establish standards relating to the application and award  
24 process.

25 Sec. 2. NEW SECTION. 422.12F INCOME TAX REFUND CHECKOFF  
26 FOR FREE HEALTH CLINIC FUND.

27 1. A person who files an individual or a joint income tax  
28 return with the department of revenue and finance under  
29 section 422.13 may designate three dollars or more to be paid  
30 to the free health clinic fund as created in section 135.26.  
31 If the refund due on the return or the payment remitted with  
32 the return is insufficient to pay the additional amount  
33 designated by the taxpayer to the free health clinic fund, the  
34 amount designated shall be reduced to the remaining amount of  
35 refund or the remaining amount remitted with the return. The

1 designation of a contribution to the free health clinic fund  
2 under this section is irrevocable.

3 2. The director of revenue and finance shall draft the  
4 income tax form to allow the designation of contributions to  
5 the free health clinic fund on the tax return. The department  
6 of revenue and finance, on or before January 31, shall certify  
7 the total amount designated on the tax return forms due in the  
8 preceding calendar year and shall report the amount to the  
9 treasurer of state. The treasurer of state shall credit the  
10 amount to the free health clinic fund. However, before a  
11 checkoff pursuant to this section is permitted, all  
12 liabilities on the books of the department of revenue and  
13 finance and accounts identified as owing under section 421.17  
14 and the political contribution allowed under section 56.18  
15 shall be satisfied.

16 3. Moneys in the free health clinic fund are appropriated  
17 as provided in section 135.26.

18 4. The department of revenue and finance shall adopt rules  
19 to administer this section.

20 5. This section is subject to repeal under section  
21 422.12E.

22 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies  
23 retroactively to January 1, 2002, for tax years beginning on  
24 or after that date and the checkoff shall be eligible for  
25 placement on the individual income tax return form for the tax  
26 year beginning January 1, 2002.

27 EXPLANATION

28 This bill provides that taxpayers filing individual income  
29 tax returns will be allowed to designate \$3 or more on the  
30 return to be paid to the free health clinic fund. The bill  
31 requires the department of revenue and finance to annually  
32 remit moneys collected from the checkoff to the free health  
33 clinic fund created in the state treasury. Moneys in the fund  
34 are appropriated to the Iowa department of public health for  
35 the purpose of awarding financial assistance to a public or

1 private organization applying for assistance to construct,  
2 equip, or operate a free health clinic in the state.

3 The bill provides that the free health clinic checkoff is  
4 subject to the limitation on the number of checkoffs allowed  
5 on the Iowa individual income tax return and, for that reason,  
6 is subject to repeal.

7 The bill applies retroactively to January 1, 2002, for tax  
8 years beginning on or after that date.

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