

JAN 14 2003  
WAYS AND MEANS

HOUSE FILE 10  
BY TYMESON

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

**A BILL FOR**

1 An Act providing an individual income tax credit for certain  
2 teacher expenses and including a retroactive applicability  
3 date provision.

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

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HF-10

1 Section 1. NEW SECTION. 422.12F TEACHER EXPENSE CREDIT.

2 The taxes imposed under this division, less the credits  
3 allowed under section 422.12, shall be reduced by a teacher  
4 expense credit equal to the first two hundred fifty dollars of  
5 the cost incurred to purchase supplies by the taxpayer to  
6 assist the taxpayer in teaching at an elementary or secondary  
7 school situated in Iowa, which school is accredited under  
8 section 256.11. To qualify for the credit, the costs must be  
9 nonreimbursable from any source. If the cost incurred has  
10 been deducted in computing federal adjusted gross income, the  
11 amount of such deduction shall be added in determining net  
12 income under section 422.7. Any credit in excess of the tax  
13 liability is nonrefundable.

14 As used in this section, "supplies" includes but is not  
15 limited to paper supplies, bulletin boards, books, maps,  
16 charts, computer software but not hardware, and other items  
17 directly used by the taxpayer as a teacher. The cost incurred  
18 to purchase supplies for which a tax credit may be received  
19 under this section shall not be used by a school district to  
20 supplement its costs of instructional materials.

21 Sec. 2. APPLICABILITY. This Act applies retroactively to  
22 January 1, 2003, for tax years beginning on or after that  
23 date.

24 EXPLANATION

25 This bill provides an income tax credit of up to \$250 for  
26 teachers that incur expenses for supplies directly used by  
27 them in the teaching at accredited elementary or secondary  
28 schools in Iowa. To qualify, the expenses must be  
29 nonreimbursable from any source. If the expenses were  
30 deducted in computing federal adjusted gross income, the  
31 deduction shall be added in determining Iowa net income.  
32 These supplies include paper supplies, bulletin boards, books,  
33 maps, charts, computer software but not hardware, and other  
34 similar items directly used by the taxpayer as a teacher. The  
35 cost incurred to purchase supplies for which a tax credit may

1 be received under this section shall not be used by a school  
2 district to supplement its costs of instructional materials.

3 The bill applies retroactively to January 1, 2003, for tax  
4 years beginning on or after that date.

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