

JAN 29 2004  
WAYS AND MEANS

HOUSE FILE 2113  
BY CARROLL

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

**A BILL FOR**

1 An Act updating the Iowa Code references to the Internal Revenue  
2 Code, providing for decoupling with the Internal Revenue Code  
3 for a certain bonus depreciation provision, and providing  
4 retroactive applicability dates and an effective date.

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

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HF 2113

1 Section 1. Section 15.335, subsection 4, unnumbered  
2 paragraph 2, Code Supplement 2003, is amended to read as  
3 follows:

4 For purposes of this section, "Internal Revenue Code" means  
5 the Internal Revenue Code in effect on January 1, ~~2003~~ 2004.

6 Sec. 2. Section 15A.9, subsection 8, paragraph e,  
7 unnumbered paragraph 2, Code Supplement 2003, is amended to  
8 read as follows:

9 For purposes of this subsection, "Internal Revenue Code"  
10 means the Internal Revenue Code in effect on January 1, ~~2003~~  
11 2004.

12 Sec. 3. Section 422.3, subsection 5, Code Supplement 2003,  
13 is amended to read as follows:

14 5. "Internal Revenue Code" means the Internal Revenue Code  
15 of 1954, prior to the date of its redesignation as the  
16 Internal Revenue Code of 1986 by the Tax Reform Act of 1986,  
17 or means the Internal Revenue Code of 1986 as amended to and  
18 including January 1, ~~2003~~ 2004, whichever is applicable.

19 Sec. 4. Section 422.7, subsection 39, unnumbered paragraph  
20 1, Code Supplement 2003, is amended to read as follows:

21 The additional first-year depreciation allowance authorized  
22 in section 168(k) of the Internal Revenue Code, as enacted by  
23 Pub. L. No. 107-147, section 101, and amended by Pub. L. No.  
24 108-27, section 201, does not apply in computing net income  
25 for state tax purposes. If the taxpayer has taken such  
26 deduction in computing federal adjusted gross income, the  
27 following adjustments shall be made:

28 Sec. 5. Section 422.7, subsection 39, paragraph b, Code  
29 Supplement 2003, is amended to read as follows:

30 b. Subtract an amount equal to depreciation ~~taken~~ allowed  
31 on such property for the tax year using the modified  
32 accelerated cost recovery system depreciation method  
33 applicable under section 168 of the Internal Revenue Code  
34 without regard to section 168(k).

35 Sec. 6. Section 422.10, subsection 3, unnumbered paragraph

1 2, Code Supplement 2003, is amended to read as follows:

2 For purposes of this section, "Internal Revenue Code" means  
3 the Internal Revenue Code in effect on January 1, ~~2003~~ 2004.

4 Sec. 7. Section 422.32, subsection 7, Code Supplement  
5 2003, is amended to read as follows:

6 7. "Internal Revenue Code" means the Internal Revenue Code  
7 of 1954, prior to the date of its redesignation as the  
8 Internal Revenue Code of 1986 by the Tax Reform Act of 1986,  
9 or means the Internal Revenue Code of 1986 as amended to and  
10 including January 1, ~~2003~~ 2004, whichever is applicable.

11 Sec. 8. Section 422.33, subsection 5, paragraph d,  
12 unnumbered paragraph 2, Code Supplement 2003, is amended to  
13 read as follows:

14 For purposes of this section, "Internal Revenue Code" means  
15 the Internal Revenue Code in effect on January 1, ~~2003~~ 2004.

16 Sec. 9. Section 422.35, subsection 19, unnumbered  
17 paragraph 1, Code Supplement 2003, is amended to read as  
18 follows:

19 The additional first-year depreciation allowance authorized  
20 in section 168(k) of the Internal Revenue Code, as enacted by  
21 Pub. L. No. 107-147, section 101, and amended by Pub. L. No.  
22 108-27, section 201, does not apply in computing net income  
23 for state tax purposes. If the taxpayer has taken such  
24 deduction in computing taxable income, the following  
25 adjustments shall be made:

26 Sec. 10. Section 422.35, subsection 19, paragraph b, Code  
27 Supplement 2003, is amended to read as follows:

28 b. Subtract an amount equal to depreciation ~~taken~~ allowed  
29 on such property for the tax year using the modified  
30 accelerated cost recovery system depreciation method  
31 applicable under section 168 of the Internal Revenue Code  
32 without regard to section 168(k).

33 Sec. 11. RETROACTIVE APPLICABILITY. This Act applies  
34 retroactively to January 1, 2003, for tax years beginning on  
35 or after that date.

