

JAN 30 2004
WAYS AND MEANS

HOUSE FILE 2119
BY MILLER

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

A BILL FOR

1 An Act providing for a deduction in computing individual income
2 tax for gains from the sale of works of fine art or written
3 materials by or on behalf of the artist or author and
4 including a retroactive applicability date.

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

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

HF 2119

1 Section 1. Section 422.7, Code Supplement 2003, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 44. a. Subtract, to the extent not
4 otherwise excluded, the first twenty-five thousand dollars of
5 the gain from the sale of a work of fine art or written
6 material where the sale is made by the artist or author, by an
7 art dealer on consignment from the artist, or by an agent on
8 behalf of the author.

9 b. For purposes of this subsection:

10 (1) "Art dealer", "artist", "consignment", and "fine art"
11 mean the same as those terms are defined in section 556D.1.

12 (2) "Written material" means an article, book, essay,
13 poetry, play, script, or story written by an individual on a
14 professional, freelance basis and not as an employee of
15 another person.

16 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies
17 retroactively to January 1, 2004, for tax years beginning on
18 or after that date.

19 EXPLANATION

20 This bill provides a deduction from the income tax of up to
21 \$25,000 of the gain from the sale of a work of fine art or
22 written material by the artist or writer, by an art dealer on
23 consignment, or by an agent on behalf of the writer.

24 The bill applies retroactively to January 1, 2004, for tax
25 years beginning on or after that date.

26
27
28
29
30
31
32
33
34
35