

FILED FEB 10 '88

SENATE FILE

108

BY REHBERG

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act making interest on bonds and notes issued for school
2 infrastructure purposes exempt from state income tax.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 108
WAYS & MEANS

1 Section 1. NEW SECTION. 296.8 TAX EXEMPTION.

2 Interest on any bonds or notes issued by a school district
3 for school infrastructure purposes is exempt from state income
4 tax. For the purposes of this section, school infrastructure
5 purposes refers to the purposes for which funds may be
6 provided as specified in section 296.1.

7 Sec. 2. Section 422.7, Code 2003, is amended by adding the
8 following new subsection:

9 NEW SUBSECTION. 39. Subtract interest earned on bonds and
10 notes issued by a school district for school infrastructure
11 purposes as provided in section 296.8.

12 Sec. 3. Section 422.35, Code 2003, is amended by adding
13 the following new subsection:

14 NEW SUBSECTION. 19. Subtract interest earned on bonds and
15 notes issued by a school district for school infrastructure
16 purposes as provided in section 296.8.

17 EXPLANATION

18 This bill provides that interest on any bonds or notes
19 issued by a school district for school infrastructure purposes
20 is exempt from state personal and corporate income tax. The
21 bill provides that school infrastructure purposes refers to
22 the purposes for which funds may be provided as specified in
23 Code section 296.1. These purposes include the cost of
24 purchasing, building, furnishing, reconstructing, repairing,
25 improving or remodeling a schoolhouse or schoolhouses and
26 additions thereto, a gymnasium, stadium, field house, school
27 bus garage, teachers' or superintendent's home or homes, and
28 procuring a site or sites therefore, or purchasing land to add
29 to a site already owned, or procuring and improving a site for
30 an athletic field, or improving a site already owned for an
31 athletic field.

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