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SENATE FILE

III

BY CONNOLLY

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to funding for the arts by providing an Iowa
2 individual income tax checkoff for the arts, 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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SF III
WAYS & MEANS

1 Section 1. NEW SECTION. 422.12F INCOME TAX CHECKOFF FOR
2 THE ARTS.

3 1. A person who files an individual or a joint income tax
4 return with the department of revenue and finance under
5 section 422.13 may designate one dollar or more to be paid to
6 the Iowa arts checkoff fund as created in the arts division of
7 the department of cultural affairs. If the refund due on the
8 return or the payment remitted with the return is insufficient
9 to pay the amount designated by the taxpayer to the Iowa arts
10 checkoff fund, the amount designated shall be reduced to the
11 remaining amount of the refund or the remaining amount
12 remitted with the return. The designation of a contribution
13 to the Iowa arts checkoff fund is irrevocable.

14 2. The director of revenue and finance shall draft the
15 income tax form to allow for the designation of contributions
16 to the Iowa arts checkoff fund on the tax return. The
17 department of revenue and finance, on or before January 31,
18 shall transfer the total amount designated on the tax form due
19 in the preceding year to the Iowa arts checkoff fund.
20 However, before a checkoff pursuant to this section shall be
21 permitted, all liabilities on the books of the department of
22 revenue and finance and accounts identified as owing under
23 section 421.17 and the political contribution allowed under
24 section 56.18 shall be satisfied.

25 3. The department of cultural affairs shall create the
26 Iowa arts checkoff fund in the arts division of the
27 department. Moneys in the fund are appropriated to the arts
28 division of the department for purposes of supporting arts
29 division activities and programming.

30 4. The department shall adopt rules to administer this
31 section.

32 5. The limitation on income tax return checkoffs specified
33 in section 422.12E does not apply to this checkoff.

34 Sec. 2. Section 422.12E, Code 2003, is amended to read as
35 follows:

1 422.12E INCOME TAX RETURN CHECKOFFS LIMITED.

2 For tax years beginning on or after January 1, 1995, there
3 shall be allowed no more than three income tax return
4 checkoffs on each income tax return. When the same three
5 income tax return checkoffs have been provided on the income
6 tax return for three consecutive years, the checkoff for which
7 the least amount has been contributed, in the aggregate for
8 the first two tax years and through March 15 of the third tax
9 year, ~~shall-be~~ is repealed. This section does not apply to
10 the income tax return ~~checkoff~~ checkoffs provided in ~~section~~
11 sections 56.18 and 422.12F.

12 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
13 retroactively to January 1, 2003, for tax years beginning on
14 or after that date and the checkoff shall be eligible for
15 placement on the individual income tax return form for the tax
16 year beginning January 1, 2003.

17 EXPLANATION

18 This bill allows taxpayers filing individual income tax
19 returns to designate \$1 or more on the return to be paid to
20 the Iowa arts checkoff fund. The bill requires the department
21 of revenue and finance to annually remit moneys collected from
22 the checkoff to a fund created in the arts division of the
23 department of cultural affairs, which moneys are appropriated
24 for arts division activities and programming.

25 The bill also provides that the limitation on the number of
26 checkoffs allowed on the Iowa individual income tax return
27 does not apply to the arts checkoff.

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

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