

SENATE FILE 2214  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO SSB 3116)

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

**A BILL FOR**

1 An Act relating to the deduction for certain qualifying tangible  
2 depreciable property and including effective and retroactive  
3 applicability date provisions.

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

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SF 2214  
ECONOMIC GROWTH

1 Section 1. Section 422.3, subsection 5, Code Supplement  
2 2003, is amended to read as follows:

3 5. "Internal Revenue Code" means the Internal Revenue Code  
4 of 1954, prior to the date of its redesignation as the  
5 Internal Revenue Code of 1986 by the Tax Reform Act of 1986,  
6 or means the Internal Revenue Code of 1986 as amended to and  
7 including January 1, 2003, and as amended by Pub. L. No. 108-  
8 173 § 202, amending section 179 of the Internal Revenue Code  
9 by increasing the amount of the cost of qualifying property  
10 that may be deducted in the first year the qualifying property  
11 is placed in service, whichever is applicable.

12 Sec. 2. EFFECTIVE AND APPLICABILITY DATES. This Act,  
13 being deemed of immediate importance, takes effect upon  
14 enactment and applies retroactively to property placed in  
15 service after December 31, 2002, but before January 1, 2006.

16 EXPLANATION

17 Internal Revenue Code section 179 allows taxpayers that  
18 purchase qualifying tangible depreciable property to deduct  
19 the purchase cost of the property, new or used, in the year  
20 that it is placed in service. This deduction is in lieu of  
21 depreciating the property over a number of years. The federal  
22 Jobs and Growth Tax Relief Reconciliation Act of 2003, Pub. L.  
23 No. 108-173, increased the maximum deduction from \$25,000 to  
24 \$100,000 for property placed in service after December 31,  
25 2002, but before January 1, 2006. It also increased the  
26 maximum investment limitation of qualifying property from  
27 \$200,000 to \$400,000 for that time period.

28 This bill conforms state income tax law with the provisions  
29 of the federal law that enacted these increases.

30 The bill takes effect upon enactment and applies  
31 retroactively.

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Rehberg  
Putney  
Stewart

Succeeded By  
① HF 2214 SSB # 3116  
Economic Growth

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
ECONOMIC GROWTH BILL BY  
CHAIRPERSON REHBERG)

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

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SSB 3116

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

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