

SENATE FILE 246

BY WARNSTADT, DOTZLER, KREIMAN,
COURTNEY, SENG, RAGAN, BLACK,
BOLKCOM, GRONSTAL, CONNOLLY,
DVORSKY, STEWART, BEALL,
QUIRMBACH, FRAISE, DEARDEN,
HATCH, and HOLVECK

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

A BILL FOR

1 An Act exempting from state individual income tax any death
2 benefits received as a result of the death of a member of the
3 armed forces in or as a result of a terroristic or military
4 action and including an effective and retroactive
5 applicability date provision.

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

SF 246
WAYS & MEANS

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

3 NEW SUBSECTION. 39. Subtract, to the extent included, the
4 amount of death benefits received by the taxpayer and
5 taxpayer's spouse or dependent as a result of the death of a
6 member of the armed forces of the United States if the death
7 occurred while serving in or as a result of wounds, disease,
8 or injury while serving in a terroristic or military action as
9 defined in section 692(c)(2) of the Internal Revenue Code.

10 Sec. 2. EFFECTIVE AND APPLICABILITY DATE. This Act, being
11 deemed of immediate importance, takes effect upon enactment
12 and applies retroactively to January 1, 2003, for tax years
13 beginning or on after that date.

14 EXPLANATION

15 This bill exempts from state individual income tax death
16 benefits received as a result of the death of a member of the
17 United States armed forces which occurred in or as a result of
18 a terroristic or military action.

19 The bill takes effect upon enactment and applies beginning
20 with the 2003 tax year.

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