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284

SENATE FILE

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

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

A BILL FOR

1 An Act relating to the deduction for expenses incurred in the  
2 performance of military service in the national guard and  
3 military reserve and for student loan repayments received  
4 while on active duty in the national guard, military reserve,  
5 or regular armed forces and including a retroactive  
6 applicability date provision.

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

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WAYS & MEANS

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

3 NEW SUBSECTION. 39. Subtract, to the extent not already  
4 excluded, the amount of expenses incurred by the taxpayer for  
5 the performance of military service on active or inactive  
6 status in the national guard or armed forces reserve.

7 NEW SUBSECTION. 40. Subtract, to the extent included,  
8 military student loan repayments received by the taxpayer  
9 serving on active duty in the national guard or armed forces  
10 reserve or on active duty status in the armed forces.

11 Sec. 2. Section 422.9, subsection 2, Code 2003, is amended  
12 by adding the following new paragraph:

13 NEW PARAGRAPH. j. If the taxpayer has a deduction for  
14 miscellaneous expenses under section 67 of the Internal  
15 Revenue Code, the taxpayer shall recompute for the purposes of  
16 this subsection the amount of the deduction under section 67  
17 by excluding from the expenses, the amount subtracted under  
18 section 422.7, subsection 39.

19 Sec. 3. RETROACTIVE APPLICABILITY DATE. This Act applies  
20 retroactively to January 1, 2003, for tax years beginning on  
21 or after that date.

22 EXPLANATION

23 This bill allows a deduction for the total amount of  
24 expenses incurred in the performance of military service in  
25 the national guard or armed forces reserve while on active or  
26 inactive status.

27 The bill also exempts military student loan repayments  
28 received by the taxpayer serving on active duty in the  
29 national guard, armed forces reserve, or regular armed forces.

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

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