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SENATE FILE 455
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 115)

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

A BILL FOR

1 An Act providing an Iowa individual income tax checkoff for
2 deposit in the free health clinic fund, making an
3 appropriation, and including effective and applicability date
4 provisions.

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

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SF 455

1 Section 1. Section 422.12E, Code 2003, is amended by
2 adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. If more than one checkoff is
4 enacted in the same session of the general assembly for
5 inclusion on the individual income tax return form and, by
6 operation of this section, only one new checkoff is allowed on
7 the individual income tax return form, the earliest enacted
8 checkoff shall be included on the return form, or shall be
9 included on the first available opening on the return form,
10 and the inclusion on the return form of any other checkoffs
11 enacted will be for subsequent tax years in the chronological
12 order in which the checkoffs were enacted.

13 Sec. 2. NEW SECTION. 135.26 FREE HEALTH CLINIC FUND.

14 1. A free health clinic fund is created in the state
15 treasury under the control of the department. The fund is
16 composed of moneys appropriated or available to and obtained
17 or accepted by the treasurer of state for deposit in the fund.
18 The fund shall include moneys credited to the fund as provided
19 in section 422.12F, and moneys in the form of a devise, gift,
20 bequest, donation, or federal or other grant intended to be
21 used for the purposes of the fund.

22 2. Notwithstanding section 12C.7, subsection 2, interest
23 or earnings on moneys in the fund shall be credited to the
24 fund. Section 8.33 does not apply to moneys in the fund.

25 3. Moneys in the fund are appropriated to the department
26 of public health for the purposes of providing financial
27 assistance to public and private organizations for
28 constructing, equipping, or operating free health clinics in
29 this state.

30 4. The department may make awards of financial assistance
31 upon approval of an application from a private or public
32 organization. An applicant shall submit a plan for use of the
33 funds along with its application. The department, in
34 conjunction with the health facilities council, shall
35 establish standards relating to the application and award

1 process.

2 Sec. 3. NEW SECTION. 422.12F INCOME TAX REFUND CHECKOFF
3 FOR FREE HEALTH CLINIC FUND.

4 1. A person who files an individual or a joint income tax
5 return with the department of revenue and finance under
6 section 422.13 may designate three dollars or more to be paid
7 to the free health clinic fund as created in section 135.26.
8 If the refund due on the return or the payment remitted with
9 the return is insufficient to pay the additional amount
10 designated by the taxpayer to the free health clinic fund, the
11 amount designated shall be reduced to the remaining amount of
12 refund or the remaining amount remitted with the return. The
13 designation of a contribution to the free health clinic fund
14 under this section is irrevocable.

15 2. The director of revenue and finance shall draft the
16 income tax form to allow the designation of contributions to
17 the free health clinic fund on the tax return. The department
18 of revenue and finance, on or before January 31, shall certify
19 the total amount designated on the tax return forms due in the
20 preceding calendar year and shall report the amount to the
21 treasurer of state. The treasurer of state shall credit the
22 amount to the free health clinic fund. However, before a
23 checkoff pursuant to this section is permitted, all
24 liabilities on the books of the department of revenue and
25 finance and accounts identified as owing under section 421.17
26 and the political contribution allowed under section 56.18
27 shall be satisfied.

28 3. Moneys in the free health clinic fund are appropriated
29 as provided in section 135.26.

30 4. The department of revenue and finance shall adopt rules
31 to administer this section.

32 5. This section is subject to repeal under section
33 422.12E.

34 Sec. 4. EFFECTIVE DATE. Section 1 of this Act, being
35 deemed of immediate importance, takes effect upon enactment.

1 Sec. 5. APPLICABILITY. Section 3 of this Act applies to
2 tax years beginning on or after January 1, 2004, and the
3 checkoff shall be eligible for placement on the individual
4 income tax return form for the tax year beginning January 1,
5 2004.

6 EXPLANATION

7 This bill provides that taxpayers filing individual income
8 tax returns will be allowed to designate \$3 or more on the
9 return to be paid to the free health clinic fund. The bill
10 requires the department of revenue and finance to annually
11 remit moneys collected from the checkoff to the free health
12 clinic fund created in the state treasury. Moneys in the fund
13 are appropriated to the Iowa department of public health for
14 the purpose of awarding financial assistance to a public or
15 private organization applying for assistance to construct,
16 equip, or operate a free health clinic in the state. The bill
17 provides that the free health clinic checkoff is subject to
18 the limitation on the number of checkoffs allowed on the Iowa
19 individual income tax return and, for that reason, is subject
20 to repeal. This portion of the bill applies to January 1,
21 2004, for tax years beginning on or after that date.

22 The bill also amends Code section 422.12E relating to the
23 limitation on the number of checkoffs allowed on the Iowa
24 individual income tax return to provide that if more than one
25 checkoff is enacted during a session of the general assembly
26 and there is space allowed for only one new checkoff on the
27 income tax return form, the checkoff first enacted will take
28 the next available opening on the income tax return form.
29 This section of the bill takes effect upon enactment.

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