

FEB 8 2006
ECONOMIC GROWTH

HOUSE FILE 2309
BY TJEPKES

(COMPANION TO LSB 5530SS
BY BEALL)

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

A BILL FOR

1 An Act creating the community foundation fund, providing an Iowa
2 individual income tax checkoff for the community foundation
3 fund, making an appropriation, and providing for the Act's
4 implementation.

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

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

HF 2309

1 Section 1. NEW SECTION. 15E.312 COMMUNITY FOUNDATION
2 FUND.

3 1. As used in this section, unless the context otherwise
4 requires, "qualified community foundation" means an endow Iowa
5 qualified community foundation as defined in section 15E.303.

6 2. A community foundation fund is created as a separate
7 and distinct fund in the state treasury under the control of
8 the department of economic development.

9 3. Revenue for the community foundation fund shall include
10 but is not limited to the following:

11 a. Moneys credited to the fund pursuant to section
12 422.12G.

13 b. Moneys in the form of a devise, gift, bequest,
14 donation, or federal or other grant intended to be used for
15 the purposes of the fund.

16 4. Moneys in the community foundation fund are not subject
17 to section 8.33. Notwithstanding section 12C.7, subsection 2,
18 interest or earnings on moneys in the fund shall be credited
19 to the fund.

20 5. Moneys in the community foundation fund are
21 appropriated to the department of economic development to be
22 distributed to qualified community foundations.

23 6. The department of economic development shall distribute
24 moneys from the community foundation fund to qualified
25 community foundations in each county in an amount equal to the
26 total dollar amount of moneys credited to the community
27 foundation fund and designated for the specific qualified
28 community foundations as a result of community foundation fund
29 income tax return checkoffs executed under section 422.12G.

30 7. The department of economic development shall establish
31 rules relating to the distribution of nondesignated moneys
32 from the community foundation fund.

33 Sec. 2. NEW SECTION. 422.12G INCOME TAX CHECKOFF FOR
34 COMMUNITY FOUNDATION FUND.

35 1. A person who files an individual or a joint income tax

1 return with the department of revenue under section 422.13 may
2 designate one dollar or more to be credited to the community
3 foundation fund created in section 15E.312 and paid to a
4 specific qualified community foundation. If the refund due on
5 the return or the payment remitted with the return is
6 insufficient to pay the additional amount designated by the
7 taxpayer to the community foundation fund, the amount
8 designated shall be reduced to the remaining amount of the
9 refund or the remaining amount remitted with the return. The
10 designation of a contribution to the community foundation fund
11 under this section is irrevocable.

12 2. The director of revenue shall draft the income tax form
13 to allow the designation of contributions to the community
14 foundation fund on the tax return. The department of revenue,
15 on or before January 31, shall transfer the total amount
16 designated on the tax return forms due in the preceding
17 calendar year to the community foundation fund created in
18 section 15E.312. However, before a checkoff pursuant to this
19 section shall be permitted, all liabilities on the books of
20 the department of revenue and accounts identified as owing
21 under section 421.17 and the political contribution allowed
22 under section 68A.601 shall be satisfied.

23 3. The department of revenue shall adopt rules to
24 administer this section.

25 4. This section is subject to repeal under section
26 422.12E.

27 Sec. 3. IMPLEMENTATION. The checkoff created in this Act
28 shall be eligible for placement on the individual income tax
29 return form beginning for the tax year commencing January 1,
30 2007.

31 EXPLANATION

32 This bill creates the community foundation fund under the
33 control of the department of economic development. Moneys in
34 the fund are appropriated to the department of economic
35 development.

1 The bill also creates a community foundation fund income
2 tax checkoff. Moneys collected from the checkoff are to be
3 credited to the fund and then distributed to qualified
4 community foundations as designated by the taxpayer.

5 The bill provides that the limitation on the number of
6 checkoffs allowed on the Iowa individual income tax return
7 does apply to the community foundation fund checkoff.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35