

FEB 15 2006
VETERANS AFFAIRS

HOUSE FILE 2390
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and KAUFMANN

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

A BILL FOR

1 An Act creating a veterans appreciation program to award hardship
2 grants on behalf of veterans seriously injured in a combat
3 zone, providing an income tax exclusion, and including an
4 effective date and retroactive applicability provision.

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

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HF 2390

1 Section 1. NEW SECTION. 35A.14 VETERANS APPRECIATION
2 PROGRAM -- GRANTS.

3 1. For the purposes of this section, "veteran" means a
4 resident of this state who is or was a member of the national
5 guard, reserve, or regular component of the armed forces of
6 the United States who has served at least ninety days of
7 active duty at any time after September 11, 2001, and, if
8 discharged, was discharged under honorable conditions.

9 2. A veterans appreciation program is created under the
10 control of the department for the purpose of providing
11 hardship grants to eligible veterans.

12 3. Moneys appropriated to the department for providing
13 veterans appreciation grants under this section may be
14 expended for one-time hardship grants of up to ten thousand
15 dollars to a seriously injured veteran who received a combat-
16 related injury while serving in a combat zone or in a zone
17 where the veteran was receiving hazardous duty pay since
18 September 11, 2001.

19 4. The commission shall adopt rules governing the
20 distribution of hardship grants under this section.

21 Sec. 2. Section 422.7, Code Supplement 2005, is amended by
22 adding the following new subsection:

23 NEW SUBSECTION. 45. Subtract, to the extent included, the
24 amount of any grant provided pursuant to the veterans
25 appreciation program pursuant to section 35A.14.

26 Sec. 3. EFFECTIVE DATE -- RETROACTIVE APPLICABILITY.

27 1. The section of this Act creating section 35A.14, being
28 deemed of immediate importance, takes effect upon enactment
29 and is retroactively applicable to veterans seriously injured
30 after September 11, 2001, and is applicable on and after that
31 date.

32 2. The section of this Act amending section 422.7, being
33 deemed of immediate importance, takes effect upon enactment
34 and is retroactively applicable to January 1, 2006, and is
35 applicable for tax years beginning on and after that date.

EXPLANATION

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This bill establishes a veterans appreciation program under the control of the department of veterans affairs.

New Code section 35A.14 establishes the veterans appreciation program. Moneys appropriated to the department for this program may be expended by the department of veterans affairs for one-time hardship grants of up to \$10,000 for seriously injured veterans sustaining a combat-related injury while serving in a combat zone or hazardous duty pay zone since September 11, 2001. The bill also requires that the commission of veterans affairs adopt rules governing the distribution of these grants. The new section takes effect upon enactment and applies retroactively to veterans seriously injured after September 11, 2001.

The bill also amends Code section 422.7 to provide that grants received under this program are subtracted from net income for purposes of taxation. This provision takes effect upon enactment and is applicable to tax years beginning on or after January 1, 2006.