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STATE GOVERNMENT

HOUSE FILE 629
BY BUKTA, SHOMSHOR, FREVERT,
WENDT, REASONER, KUHN, QUIRK,
LENSING, BERRY, MILLER, SMITH,
FORD, SCHUELLER, DAVITT, HOFFMAN,
FOEGE, WISE, HORBACH, MASCHER,
COHOON, J.R. VAN FOSSEN, CHAMBERS,
D. TAYLOR, OLDSON, MURPHY, and
S. OLSON

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

A BILL FOR

1 An Act creating a military family relief fund and providing an
2 income tax checkoff for deposit in the fund, making an
3 appropriation, and providing a retroactive applicability date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 29.5 MILITARY FAMILY RELIEF
2 FUND.

3 1. A military family relief fund is created as a separate
4 and distinct fund in the state treasury under the control of
5 the department of public defense.

6 2. Revenue for the military family relief fund shall
7 include, but is not limited to, the following:

8 a. Moneys credited to the fund pursuant to section
9 422.12G.

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

13 3. Moneys in the military family relief fund are not
14 subject to section 8.33. Notwithstanding section 12C.7,
15 subsection 2, interest or earnings on moneys in the fund shall
16 be credited to the fund.

17 4. Moneys in the military family relief fund are
18 appropriated to the department of public defense to be used to
19 make grants to families of persons who are members of the Iowa
20 national guard or Iowa residents who are members of the
21 reserve forces of the armed forces of the United States and
22 who have been called to active duty as a result of the
23 September 11, 2001, terrorist attacks.

24 5. The department of public defense shall establish
25 eligibility criteria for the grants by rule.

26 Sec. 2. Section 422.12E, unnumbered paragraph 1, Code
27 2005, is amended to read as follows:

28 For tax years beginning on or after January 1, 2004, there
29 shall be allowed no more than four income tax return checkoffs
30 on each income tax return. When the same four income tax
31 return checkoffs have been provided on the income tax return
32 for two consecutive years, the two checkoffs for which the
33 least amount has been contributed, in the aggregate for the
34 first tax year and through March 15 of the second tax year,
35 are repealed. This section does not apply to the income tax

1 return ~~checkoff~~ checkoffs provided in ~~section~~ sections 68A.601
2 and 422.12G.

3 Sec. 3. NEW SECTION. 422.12G INCOME TAX CHECKOFF FOR
4 MILITARY FAMILY RELIEF FUND.

5 1. For the tax year beginning January 1, 2005, a person
6 who files an individual or a joint income tax return with the
7 department of revenue under section 422.13 may designate one
8 dollar or more to be paid to the military family relief fund
9 as created in section 29.5. If the refund due on the return
10 or the payment remitted with the return is insufficient to pay
11 the additional amount designated by the taxpayer to the
12 military family relief fund, the amount designated shall be
13 reduced to the remaining amount of refund or the remaining
14 amount remitted with the return. The designation of a
15 contribution to the military family relief fund under this
16 section is irrevocable.

17 2. The director of revenue shall draft the income tax form
18 to allow the designation of contributions to the military
19 family relief fund on the tax return. The department of
20 revenue, on or before January 31, shall certify the total
21 amount designated on the tax return forms due in the preceding
22 calendar year and shall report the amount to the treasurer of
23 state. The treasurer of state shall credit the amount to the
24 military family relief fund. However, before a checkoff
25 pursuant to this section shall be permitted, all liabilities
26 on the books of the department of revenue and accounts
27 identified as owing under section 421.17 and the political
28 contribution allowed under section 68A.601 shall be satisfied.

29 3. The department of revenue shall adopt rules to
30 administer this section.

31 4. The limitation on income tax return checkoffs specified
32 in section 422.12E does not apply to this checkoff.

33 Sec. 4. RETROACTIVE APPLICABILITY. Sections 2 and 3 of
34 this Act apply retroactively to January 1, 2005, for tax years
35 beginning on or after that date and the military family relief

1 fund checkoff shall be eligible for placement on the
2 individual income tax return form for tax years beginning on
3 or after January 1, 2005.

4 EXPLANATION

5 This bill creates the military family relief fund under the
6 control of the department of public defense. Moneys in the
7 fund are appropriated to the department of public defense.
8 Moneys in the fund are to be used to make grants to families
9 of persons who are members of the Iowa national guard or
10 residents who are members of the army reserves and who have
11 been called to active duty as a result of the September 11,
12 2001, attacks.

13 The bill also creates a military family relief fund income
14 tax checkoff. Moneys collected from the checkoff are to be
15 credited to the fund.

16 The bill also provides that the limitation on the number of
17 checkoffs allowed on the Iowa individual income tax return
18 does not apply to the military family relief fund checkoff.

19 The provisions of the bill relating to the military family
20 relief fund checkoff apply retroactively to the tax year
21 beginning January 1, 2005.

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