APR 4 2005 WAYS & MEANS CALENDAR

HOUSE FILE 332 BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 692)

Passed	House,	Date	e de estados	Passed	Senate,	Date		
Vote:	Ayes	Nays		Vote:	Ayes		Nays	
	Aj	oproved _	<u> </u>			- -		

A BILL FOR

1 An Act relating to coupling Iowa's tax laws with the federal
2 Internal Revenue Code and including an applicability date
3 provision.

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

F832

- 1 Section 1. Section 15.335, subsection 4, unnumbered
- 2 paragraph 2, Code 2005, is amended to read as follows:
- For purposes of this section, "Internal Revenue Code" means
- 4 the Internal-Revenue-Code-in-effect-on-January-17-2004 same as
- 5 defined in section 422.3.
- 6 Sec. 2. Section 15A.9, subsection 8, paragraph e,
- 7 unnumbered paragraph 2, Code 2005, is amended to read as
- 8 follows:
- 9 For purposes of this subsection, "Internal Revenue Code"
- 10 means the Internal-Revenue-Code-in-effect-on-January-1,-2004
- 11 same as defined in section 422.3.
- 12 Sec. 3. Section 422.3, subsection 5, Code 2005, is amended
- 13 by striking the subsection and inserting in lieu thereof the
- 14 following:
- 15 5. "Internal Revenue Code" means the Internal Revenue Code
- 16 of 1986, and amendments thereto, and other provisions of the
- 17 laws of the United States relating to federal income taxes, as
- 18 the same may be or become effective at any time, or from time
- 19 to time, for the taxable year.
- 20 Sec. 4. NEW SECTION. 422.3A FISCAL IMPACT OF INTERNAL
- 21 REVENUE CODE CHANGES -- ANNUAL STATEMENT BY DIRECTOR.
- 22 On or before the first day of each regular session of the
- 23 general assembly, the director of revenue shall transmit to
- 24 each member of the general assembly a statement detailing the
- 25 estimated fiscal impact to state general fund revenues, over
- 26 at least a five-year period, resulting from the state's
- 27 incorporating the changes made by Congress to the Internal
- 28 Revenue Code.
- 29 Sec. 5. Section 422.10, subsection 3, unnumbered paragraph
- 30 2, Code 2005, is amended by striking the unnumbered paragraph.
- 31 Sec. 6. Section 422.32, subsection 7, Code 2005, is
- 32 amended by striking the subsection.
- 33 Sec. 7. Section 422.33, subsection 5, paragraph d,
- 34 unnumbered paragraph 2, Code 2005, is amended by striking the
- 35 unnumbered paragraph.

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Sec. 8. APPLICABILITY. This Act applies to tax years
 2 beginning on or after January 1, 2006.
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                              EXPLANATION
      This bill changes the Code definition of the federal
 5 "Internal Revenue Code" to automatically include any federally
 6 enacted changes, making it no longer necessary for the general
 7 assembly to annually update, through legislation, the
 8 reference to the most recent year of amendment of the Internal
 9 Revenue Code.
      The bill requires the department of revenue to, each year,
10
11 provide a fiscal impact statement to the general assembly
12 detailing the impact to state general fund revenues as a
13 result of incorporating the changes made by Congress to the
14 Internal Revenue Code.
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      The bill applies to tax years beginning on or after January
16 1, 2006.
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