

SENATE FILE  
BY KREIMAN

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WAYS & MEANS

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act exempting from state individual income tax any death  
2 benefits received as a result of the death of a member of the  
3 armed forces in or as a result of a terroristic or military  
4 action and including an effective and retroactive  
5 applicability date provision.

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

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SF 8  
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1 Section 1. Section 422.7, Code 2005, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 44. Subtract, to the extent included, the  
4 amount of death benefits received by the taxpayer and  
5 taxpayer's spouse or dependent as a result of the death of a  
6 member of the armed forces of the United States if the death  
7 occurred while serving in or as a result of wounds, disease,  
8 or injury while serving in a terroristic or military action as  
9 defined in section 692(c)(2) of the Internal Revenue Code.

10 Sec. 2. EFFECTIVE AND APPLICABILITY DATE. This Act, being  
11 deemed of immediate importance, takes effect upon enactment  
12 and applies retroactively to January 1, 2005, for tax years  
13 beginning or on after that date.

14 EXPLANATION

15 This bill exempts from state individual income tax death  
16 benefits received as a result of the death of a member of the  
17 United States armed forces which occurred in or as a result of  
18 a terroristic or military action.

19 The bill takes effect upon enactment and applies  
20 retroactively beginning with the 2005 tax year.

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