

# Senate Study Bill 1179

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
ECONOMIC GROWTH BILL BY  
CO=CHAIRPERSON BRUNKHORST)

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

## A BILL FOR

1 An Act providing individual and corporate income tax credits for  
2 the costs of information technology training of certain  
3 employees and including effective and retroactive  
4 applicability date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 1933SC 81  
7 mg/sh/8

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1 1 Section 1. NEW SECTION. 422.11K INFORMATION TECHNOLOGY  
1 2 TRAINING TAX CREDIT.  
1 3 1. The taxes imposed under this division, less the credits  
1 4 allowed under sections 422.12 and 422.12B, shall be reduced by  
1 5 an information technology training tax credit. The amount of  
1 6 the tax credit equals fifty percent of the cost, up to five  
1 7 thousand dollars, of training an eligible employee during the  
1 8 tax year. The cost of training an eligible employee does not  
1 9 include travel or lodging expenses. The deduction for  
1 10 training expenses allowed in computing federal adjusted gross  
1 11 income shall be reduced by the amount of the tax credit taken  
1 12 under this section.  
1 13 2. For purposes of this section, "eligible employee" means  
1 14 an employee who has a job title in any of the following  
1 15 categories as they relate to information technology:  
1 16 a. Network and systems support.  
1 17 b. Programming and engineering.  
1 18 c. Telecommunications or computer hardware assembly,  
1 19 installation, or repair.  
1 20 3. Any credit in excess of the tax liability for the tax  
1 21 year is nonrefundable but may be credited to the tax liability  
1 22 for the following ten tax years or until depleted, whichever  
1 23 is the earlier.  
1 24 4. An individual may claim the tax credit allowed a  
1 25 partnership, limited liability company, S corporation, estate,  
1 26 or trust electing to have the income taxed directly to the  
1 27 individual. The amount claimed by the individual shall be  
1 28 based upon the pro rata share of the individual's earnings of  
1 29 a partnership, limited liability company, S corporation,  
1 30 estate, or trust.  
1 31 Sec. 2. Section 422.33, Code 2005, is amended by adding  
1 32 the following new subsection:  
1 33 NEW SUBSECTION. 17. a. The taxes imposed under this  
1 34 division shall be reduced by an information technology  
1 35 training tax credit. The amount of the tax credit equals  
2 1 fifty percent of the cost, up to five thousand dollars, of  
2 2 training an eligible employee during the tax year. The cost  
2 3 of training an eligible employee does not include travel or  
2 4 lodging expenses. The deduction for training expenses allowed  
2 5 in computing federal taxable income shall be reduced by the  
2 6 amount of the tax credit taken under this subsection.  
2 7 b. For purposes of this subsection, "eligible employee"  
2 8 means an employee who has a job title in any of the following  
2 9 categories as they relate to information technology:  
2 10 (1) Network and systems support.  
2 11 (2) Programming and engineering.  
2 12 (3) Telecommunications or computer hardware assembly,  
2 13 installation, or repair.  
2 14 c. Any credit in excess of the tax liability for the tax

2 15 year is nonrefundable but may be credited to the tax liability  
2 16 for the following ten tax years or until depleted, whichever  
2 17 is the earlier.

2 18 Sec. 3. EFFECTIVE AND APPLICABILITY DATES. This Act,  
2 19 being deemed of immediate importance, takes effect upon  
2 20 enactment and applies retroactively to January 1, 2005, for  
2 21 tax years beginning on or after that date.

2 22 EXPLANATION

2 23 This bill provides an information technology training tax  
2 24 credit under the individual and corporate income taxes for the  
2 25 training costs of employees whose job titles are in certain  
2 26 information technology-related categories. These categories  
2 27 are network and systems support; programming and engineering;  
2 28 and telecommunications or computer hardware assembly,  
2 29 installation, or repair.

2 30 The bill takes effect upon enactment and applies  
2 31 retroactively to January 1, 2005, for tax years beginning on  
2 32 or after that date.

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