

Senate Study Bill 3264

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CO=CHAIRPERSON ZIEMAN)

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

A BILL FOR

1 An Act relating to the provision of individual income tax relief,
2 providing a standing contingent appropriation, and including
3 retroactive applicability date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6649XK 81
6 mg/cf/24

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1 1 Section 1. NEW SECTION. 8.57C TAXPAYER RELIEF FUND.
1 2 1. A taxpayer relief fund is created under the authority
1 3 of the department of management. The fund shall consist of
1 4 appropriations made to the fund and transfers of interest,
1 5 earnings, and moneys from other funds as provided by law. The
1 6 fund shall be separate from the general fund of the state and
1 7 the balance in the fund shall not be considered part of the
1 8 balance of the general fund of the state. However, the fund
1 9 shall be considered a special account for the purposes of
1 10 section 8.53, relating to generally accepted accounting
1 11 principles.
1 12 2. Notwithstanding section 12C.7, subsection 2, interest
1 13 or earnings on moneys in the taxpayer relief fund shall be
1 14 credited to the fund.
1 15 3. Moneys in the fund shall be used as appropriated by the
1 16 general assembly for providing individual income tax relief as
1 17 designated by the general assembly as tax relief to be paid
1 18 from the taxpayer relief fund.
1 19 The general assembly shall make the appropriation from the
1 20 taxpayer relief fund to the general fund of the state in the
1 21 Act that provides for individual income tax relief. The
1 22 amount of the appropriation shall be an amount equal to the
1 23 estimated loss to the general fund of the state for at least
1 24 the first fiscal year for which the tax relief is effective.
1 25 4. a. For purposes of this paragraph, "later meeting"
1 26 means the same as defined in section 8.22A, subsection 3. If
1 27 at a later meeting, the revenue estimating conference agrees
1 28 to an amount of revenue for the fiscal year beginning the
1 29 following July 1 that is in excess of the initial estimate
1 30 amount agreed to by December 15, as required in section 8.22A,
1 31 there is appropriated from the general fund of the state to
1 32 the taxpayer relief fund for the fiscal year beginning July 1
1 33 following the later meeting an amount equal to such excess.
1 34 b. The department of management shall allocate the entire
1 35 appropriation under paragraph "a", if any, for the fiscal year
2 1 beginning July 1 to the taxpayer relief fund by July 31 of
2 2 that fiscal year.
2 3 c. An appropriation made pursuant to paragraph "a" for a
2 4 fiscal year shall not be counted as an appropriation for
2 5 purposes of the state general fund expenditure limitation for
2 6 that fiscal year.
2 7 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies
2 8 retroactively to March 24, 2006, and applies to revenue
2 9 estimating conference's revenue estimates made on or after
2 10 that date for fiscal years beginning on or after July 1, 2006.
2 11 EXPLANATION
2 12 This bill creates a taxpayer relief fund. Moneys in the
2 13 fund are required to be used to provide individual income tax
2 14 relief as designated by the general assembly. The general
2 15 assembly is directed to appropriate moneys from the taxpayer

2 16 relief fund to the state general fund in the same Act that
2 17 provides the individual income tax relief. The amount of the
2 18 appropriation must equal at the least the loss to the state
2 19 general fund for the first fiscal year as a result of the tax
2 20 relief.

2 21 The bill provides that if the revenue estimating conference
2 22 agrees at a meeting held during the regular session or a
2 23 special legislative session on a higher revenue estimate for
2 24 the coming fiscal year than the initial revenue estimate made
2 25 by December 15, the difference is appropriated from the state
2 26 general fund to the taxpayer relief fund for the coming fiscal
2 27 year.

2 28 The bill applies retroactively to March 24, 2006, and
2 29 applies to revenue estimates made on or after that date for
2 30 fiscal years beginning on or after July 1, 2006.

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2 32 mg:rj/cf/24