

House File 2342 - Introduced

HOUSE FILE _____

BY MURPHY, ABDUL-SAMAD, BAILEY, BELL, BERRY, BUKTA, COHOON, DAVITT, DANDEKAR, FOEGE, FREVERT, HUSER, GASKILL, GAYMAN, HEDDENS, H. MILLER, LENSING, JACOBY, JOCHUM, MCCARTHY, KRESSIG, LYKAM, MASCHER, FORD, KUHN, MERTZ, HUNTER, OLDSO, D. OLSON, R. OLSON, T. OLSON, PALMER, QUIRK, REASONER, REICHERT, SCHUELLER, WISE, SHOMSHOR, STAED, SWAIM, D. TAYLOR, T. TAYLOR, WESSEL-KROESCHELL, SMITH, WENDT, WENTHE, WHITAKER, WHITEAD, THOMAS, KELLEY, WINCKLER, ZIRKELBACH, GRASSLEY, WINDSCHITL, STRUYK, LUKAN, FORRISTALL, WORTHAN, CLUTE, GREINER, BOAL, MAY, VAN FOSSEN, PETTENGILL, TYMESON, SANDS, WATTS, S. OLSON, DRAKE, ROBERTS, RAECKER, VAN ENGELSHOVEN, BAUDLER, GRANZOW, SODERBERG, RAYHONS, PAULSEN, KAUFMANN, SCHICKEL, UPMEYER, JACOBS, RASMUSSEN, ANDERSON, GIPP, DEYOE, WIENCEK, DOLECHECK, HOFFMAN, HUSEMAN, RANTS, ALONS, CHAMBERS, HORBACH, TJEPKES, L. MILLER, DE BOEF, HEATON, TOMENGA, ARNOLD, and PETERSEN

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

A BILL FOR

1 An Act exempting certain federal tax rebates under the state
2 individual income tax and including a retroactive
3 applicability date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6292HH 82
6 mg/sc/14

PAG LIN

1 1 Section 1. Section 422.9, Code 2007, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 8. In determining the amount of deduction
1 4 for federal income tax under subsection 1 or subsection 2,
1 5 paragraph "b", for tax years beginning in the 2008 calendar
1 6 year, the amount of the deduction for the tax year shall not
1 7 be adjusted by the amount received during the tax year of the
1 8 income tax rebate provided pursuant to the federal Recovery
1 9 Rebates and Economic Stimulus for the American People Act of
1 10 2008, Pub. L. No. 110-185, and the amount of such income tax
1 11 rebate shall not be subject to taxation under this division.
1 12 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies
1 13 retroactively to January 1, 2008, for tax years beginning on
1 14 or after that date and before January 1, 2009.

1 15 EXPLANATION

1 16 Under state individual income tax, an individual is allowed
1 17 a deduction for federal income tax paid during the tax year,
1 18 adjusted by any federal income tax refunds received during the
1 19 same tax year. This bill provides that for the 2008 tax year
1 20 any federal tax rebate received under the federal Recovery
1 21 Rebates and Economic Stimulus for the American People Act of
1 22 2008 is not subject to tax and thus would not be used to
1 23 reduce any deduction an individual has for federal income
1 24 taxes paid.

1 25 The bill applies retroactively to January 1, 2008, for tax
1 26 years that begin on or after that date but before January 1,
1 27 2009.

1 28 LSB 6292HH 82
1 29 mg/sc/14