

# House File 40

HOUSE FILE \_\_\_\_\_  
BY TYMESON, DOLECHECK, WIENCEK,  
KAUFMANN, FORRISTALL, L. MILLER,  
BOAL, CHAMBERS, and MAY

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

## A BILL FOR

1 An Act providing an individual income tax credit for certain  
2 teacher expenses and including a retroactive applicability  
3 date provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 1329YH 82  
6 mg/sh/8

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1 1 Section 1. NEW SECTION. 422.11T TEACHER EXPENSE CREDIT.  
1 2 The taxes imposed under this division, less the credits  
1 3 allowed under sections 422.12 and 422.12B, shall be reduced by  
1 4 a teacher expense credit equal to the first two hundred fifty  
1 5 dollars of the cost incurred to purchase supplies by the  
1 6 taxpayer to assist the taxpayer in teaching at an elementary  
1 7 or secondary school situated in Iowa, which school is  
1 8 accredited under section 256.11. To qualify for the credit,  
1 9 the costs must be nonreimbursable from any source. If the  
1 10 cost incurred has been deducted in computing federal adjusted  
1 11 gross income, the amount of such deduction shall be added in  
1 12 determining net income under section 422.7. Any credit in  
1 13 excess of the tax liability is nonrefundable.  
1 14 As used in this section, "supplies" includes but is not  
1 15 limited to paper supplies, bulletin boards, books, maps,  
1 16 charts, computer software but not hardware, and other items  
1 17 directly used by the taxpayer as a teacher. The cost incurred  
1 18 to purchase supplies for which a tax credit may be received  
1 19 under this section shall not be used by a school district to  
1 20 supplement its costs of instructional materials.  
1 21 Sec. 2. APPLICABILITY. This Act applies retroactively to  
1 22 January 1, 2006, for tax years beginning on or after that  
1 23 date.

### EXPLANATION

1 24  
1 25 This bill provides an income tax credit of up to \$250 for  
1 26 teachers that incur expenses for supplies directly used by  
1 27 them in teaching at accredited elementary or secondary schools  
1 28 in Iowa. To qualify, the expenses must be nonreimbursable  
1 29 from any source. If the expenses were deducted in computing  
1 30 federal adjusted gross income, the deduction shall be added in  
1 31 determining Iowa net income. These supplies include paper  
1 32 supplies, bulletin boards, books, maps, charts, computer  
1 33 software but not hardware, and other similar items directly  
1 34 used by the taxpayer as a teacher. The cost incurred to  
1 35 purchase supplies for which a tax credit may be received under  
2 1 this section shall not be used by a school district to  
2 2 supplement its costs of instructional materials.  
2 3 The bill applies retroactively to January 1, 2006, for tax  
2 4 years beginning on or after that date.  
2 5 LSB 1329YH 82  
2 6 mg:sc/sh/8