

# House File 638 - Introduced

HOUSE FILE \_\_\_\_\_  
BY WESSEL=KROESCHELL

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

## A BILL FOR

1 An Act providing an income tax deduction for an individual whose  
2 rate of reimbursement under the medical assistance program is  
3 less than the individual normally charges and including a  
4 retroactive applicability date provision.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 2505HH 82  
7 mg/es/88

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1 1 Section 1. Section 422.7, Code 2007, is amended by adding  
1 2 the following new subsection:  
1 3 NEW SUBSECTION. 50. If the taxpayer is a licensed  
1 4 physician, dentist, or optometrist who provides dental or eye  
1 5 services under the medical assistance program and the rate of  
1 6 reimbursement for such dental or eye services is less than the  
1 7 taxpayer normally charges for such services, subtract fifty  
1 8 percent of the difference between the amount normally charged  
1 9 and the reimbursement rate for each dental service or eye  
1 10 service provided which is reimbursed under the medical  
1 11 assistance program.

1 12 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies  
1 13 retroactively to January 1, 2007, for tax years beginning on  
1 14 or after that date.

1 15 EXPLANATION

1 16 This bill provides a deduction in computing individual  
1 17 income tax to a taxpayer that provides dental or eye services  
1 18 reimbursed under the state medical assistance (Medicaid)  
1 19 program. The amount of the deduction equals 50 percent of the  
1 20 difference between the reimbursement rate and the normal fee  
1 21 charged by the taxpayer for the dental service or eye service.

1 22 The bill applies retroactively to January 1, 2007, for tax  
1 23 years beginning on or after that date.

1 24 LSB 2505HH 82

1 25 mg:rj/es/88