

Senate File 171 - Introduced

SENATE FILE _____
BY BLACK

(COMPANION TO LSB 2165HH BY
BELL)

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

A BILL FOR

1 An Act excluding certain severance pay from the individual income
2 tax and including a retroactive applicability date provision.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2165SS 82
5 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. Subtract, to the extent included, the
1 4 amount of separation allowance, severance pay, dismissal pay,
1 5 or similar remuneration received by the taxpayer from an
1 6 employer as a result of the taxpayer's loss of employment.

1 7 This subsection does not apply to a taxpayer who was
1 8 employed in a management position.

1 9 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies
1 10 retroactively to January 1, 2007, for tax years beginning on
1 11 or after that date.

1 12 EXPLANATION

1 13 This bill excludes from the individual income tax severance
1 14 pay, separation allowance, or dismissal pay received from an
1 15 employer as a result of the taxpayer's loss of employment if
1 16 the taxpayer is a nonmanagerial worker.

1 17 The bill applies retroactively to January 1, 2007, for tax
1 18 years beginning on or after that date.

1 19 LSB 2165SS 82

1 20 mg:sc/es/88