

Senate File 2064 - Introduced

SENATE FILE _____
BY KETTERING

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

A BILL FOR

1 An Act relating to a tax credit for certain teacher expenses
2 under the 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 5990SS 82
6 mg/sc/8

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1 1 Section 1. NEW SECTION. 422.11V TEACHER EXPENSE CREDIT.
1 2 The taxes imposed under this division, less the credits
1 3 allowed under section 422.12, shall be reduced by a teacher
1 4 expense credit equal to the first two hundred fifty dollars of
1 5 the cost incurred to purchase supplies by the taxpayer to
1 6 assist the taxpayer in teaching at an elementary or secondary
1 7 school situated in Iowa, which school is accredited under
1 8 section 256.11. To qualify for the credit, the costs must be
1 9 nonreimbursable from any source. If the cost incurred has
1 10 been deducted in computing federal adjusted gross income, the
1 11 amount of such deduction shall be added in determining net
1 12 income under section 422.7. Any credit in excess of the tax
1 13 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. RETROACTIVE APPLICABILITY. This Act applies
1 22 retroactively to January 1, 2008, for tax years beginning on
1 23 or after that date.

1 24 EXPLANATION

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, 2008, for tax
2 4 years beginning on or after that date.

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