

House File 162 - Introduced

HOUSE FILE _____
BY MAY

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

A BILL FOR

1 An Act excluding from the individual income tax the retirement
2 pay of certain veterans of the armed forces and including a
3 retroactive applicability date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1413HH 83
6 tw/mg:sc/8

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1 1 Section 1. Section 422.7, Code 2009, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 23. a. Subject to paragraph "b",
1 4 subtract, to the extent included, retirement pay received from
1 5 the federal government for military service performed in the
1 6 armed forces, armed forces military reserve, or national
1 7 guard.
1 8 b. The amount subtracted pursuant to paragraph "a" is
1 9 either of the following:
1 10 (1) One-half the amount of retirement pay if the taxpayer
1 11 has been honorably discharged and currently resides in the
1 12 state.
1 13 (2) The full amount of retirement pay if the taxpayer has
1 14 been honorably discharged, currently resides in the state, and
1 15 was employed at any time during the tax year as a teacher in a
1 16 geographic area or subject area currently designated as
1 17 experiencing teacher shortages by the department of education
1 18 pursuant to section 261.112, subsection 2, or was employed at
1 19 any time during the tax year in a position determined by the
1 20 department of economic development to meet the needs of Iowa
1 21 employers pursuant to section 15.108, subsection 6.
1 22 c. The exclusion of retirement pay under this subsection
1 23 is in addition to any exclusion provided under subsection 31.
1 24 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
1 25 retroactively to January 1, 2009, for tax years beginning on
1 26 or after that date.

EXPLANATION

1 27
1 28 This bill excludes from the individual income tax one-half
1 29 of the amount of an honorably discharged veteran's retirement
1 30 pay if the veteran resides in the state, and the full amount
1 31 of the retirement pay if the veteran is employed as a teacher
1 32 in a geographic area or subject area currently designated as a
1 33 teacher shortage area by the department of education or is
1 34 employed in a position determined by the department of
1 35 economic development as meeting certain workforce needs of
2 1 Iowa employers.
2 2 The bill applies retroactively to January 1, 2009, for tax
2 3 years beginning on or after that date.
2 4 LSB 1413HH 83
2 5 tw/mg:sc/8