

**House File 2430 - Introduced**

HOUSE FILE 2430  
BY FREVERT

**A BILL FOR**

1 An Act allowing an individual income tax deduction for  
2 certain dentists who receive medical assistance program  
3 reimbursement that is less than their normal fee and  
4 including retroactive applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code Supplement 2009, is amended  
2 by adding the following new subsection:

3 NEW SUBSECTION. 54. *a.* Subject to the requirement  
4 of paragraph "b", if the taxpayer is a provider of dental  
5 services under the medical assistance program and the rate  
6 of reimbursement for such dental services is less than the  
7 taxpayer normally charges for such dental services, subtract  
8 the difference between the amount normally charged and the  
9 reimbursement rate for each dental service provided that is  
10 reimbursed under the medical assistance program.

11 *b.* To be eligible for the deduction in paragraph "a", the  
12 taxpayer must provide at least fifty thousand dollars worth of  
13 dental services at a reduced rate of reimbursement under the  
14 medical assistance program during the tax year.

15 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies  
16 retroactively to January 1, 2010, for tax years beginning on  
17 or after that date.

18 EXPLANATION

19 This bill provides a deduction in computing individual  
20 income tax to a taxpayer that provides dental services  
21 reimbursed under the medical assistance program (Medicaid).  
22 The amount of the deduction equals the difference between the  
23 reimbursement rate and the normal fee charged by the taxpayer  
24 for the dental service. However, to be eligible, the taxpayer  
25 must provide at least \$50,000 of dental services at reduced  
26 rates under the medical assistance program.

27 The bill applies retroactively to January 1, 2010, for tax  
28 years beginning on or after that date.