Senate File 165 - Introduced

A BILL FOR

1 An Act providing an exemption from the state individual income
2   tax for retirement pay received from the federal government
3   for military service and including a retroactive applicability
4   date provision.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2226SS 83
7 tw/mg:sc/14

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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. 31A. a. Subtract, to the extent
1 4 included, retirement pay received from the federal government
1 5 for military service performed in the armed forces, armed
1 6 forces military reserve, or national guard.
1 7   b. The exclusion of retirement benefits under this
1 8 subsection is in addition to any exclusion provided under
1 9 subsection 31.
1 10   Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies
1 11 retroactively to January 1, 2009, for tax years beginning on
1 12 or after that date.
1 13   EXPLANATION
1 14   This bill provides for the exclusion of retirement benefits
1 15 from federal military service in the armed forces, military
1 16 reserve, or national guard. The exemption is in addition to
1 17 the general pension exclusions.
1 18   The bill applies retroactively to January 1, 2009, for tax
1 19 years beginning on or after that date.
1 20 LSB 2226SS 83
1 21 tw/mg:sc/14