

# Senate File 325 - Introduced

SENATE FILE \_\_\_\_\_  
BY HAMERLINCK

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act increasing the amount of pension income that is exempted  
2 from 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 2465XS 83  
6 tw/mg:sc/8

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1 1 Section 1. Section 422.7, subsection 31, Code 2009, is  
1 2 amended to read as follows:  
1 3 31. For a person who is disabled, or is fifty=five years  
1 4 of age or older, or is the surviving spouse of an individual  
1 5 or a survivor having an insurable interest in an individual  
1 6 who would have qualified for the exemption under this  
1 7 subsection for the tax year, subtract, to the extent included,  
1 8 the total amount of a governmental or other pension or  
1 9 retirement pay, including, but not limited to, defined benefit  
1 10 or defined contribution plans, annuities, individual  
1 11 retirement accounts, plans maintained or contributed to by an  
1 12 employer, or maintained or contributed to by a self=employed  
1 13 person as an employer, and deferred compensation plans or any  
1 14 earnings attributable to the deferred compensation plans, up  
1 15 to a maximum of ~~six twelve~~ thousand dollars for a person,  
1 16 other than a husband or wife, who files a separate state  
1 17 income tax return and up to a maximum of ~~twelve twenty=four~~  
1 18 thousand dollars for a husband and wife who file a joint state  
1 19 income tax return. However, a surviving spouse who is not  
1 20 disabled or fifty=five years of age or older can only exclude  
1 21 the amount of pension or retirement pay received as a result  
1 22 of the death of the other spouse. A husband and wife filing  
1 23 separate state income tax returns or separately on a combined  
1 24 state return are allowed a combined maximum exclusion under  
1 25 this subsection of up to ~~twelve twenty=four~~ thousand dollars.  
1 26 The ~~twelve twenty=four~~ thousand dollar exclusion shall be  
1 27 allocated to the husband or wife in the proportion that each  
1 28 spouse's respective pension and retirement pay received bears  
1 29 to total combined pension and retirement pay received.  
1 30 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies  
1 31 retroactively to January 1, 2009, for tax years beginning on  
1 32 or after that date.

### EXPLANATION

1 34 Current law provides an exclusion from the individual  
1 35 income tax for certain pension income. The exclusion is  
2 1 available on the first \$6,000 of an individual's pension  
2 2 income and \$12,000 for joint filers.  
2 3 This bill doubles the amount of the exclusion to \$12,000  
2 4 for an individual filer and \$24,000 for joint filers.  
2 5 The bill applies retroactively to January 1, 2009, for tax  
2 6 years beginning on or after that date.  
2 7 LSB 2465XS 83  
2 8 tw/mg:sc/8