

House File 2314 - Introduced

HOUSE FILE 2314

BY WINDSCHITL

A BILL FOR

1 An Act creating exemptions from the computation of net
2 income for the individual and corporate income tax and
3 the franchise tax of amounts paid to and received from a
4 health care sharing ministry and including retroactive
5 applicability provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code Supplement 2011, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 57. Subtract the following:

4 a. To the extent not otherwise deducted in computing
5 adjusted gross income, amounts paid by an individual as a
6 subscriber in a health care sharing ministry that meets the
7 requirements of section 505.22.

8 b. To the extent not otherwise deducted in computing
9 adjusted gross income, amounts paid on behalf of an employee of
10 the taxpayer to a health care sharing ministry that meets the
11 requirements of section 505.22, which payment is part of the
12 employee's subscription in the health care sharing ministry.

13 c. To the extent included, amounts received as a member of
14 a health care sharing ministry that meets the requirements of
15 section 505.22.

16 Sec. 2. Section 422.9, subsection 2, Code Supplement 2011,
17 is amended by adding the following new paragraph:

18 NEW PARAGRAPH. j. If the taxpayer has a deduction for
19 health care sharing ministry expenses under the Internal
20 Revenue Code, the taxpayer shall recompute for the purposes of
21 this subsection the amount of the deduction under the Internal
22 Revenue Code by excluding from health care sharing ministry
23 expenses the amounts subtracted under section 422.7, subsection
24 57, paragraph "a".

25 Sec. 3. Section 422.35, Code Supplement 2011, is amended by
26 adding the following new subsection:

27 NEW SUBSECTION. 26. Subtract, to the extent not already
28 excluded, amounts paid on behalf of an employee of the taxpayer
29 to a health care sharing ministry that meets the requirements
30 of section 505.22, which payment is part of the employee's
31 subscription in the health care sharing ministry.

32 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies
33 retroactively to January 1, 2012, for tax years beginning on
34 or after that date.

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EXPLANATION

1 This bill creates exemptions from the individual and
2 corporate income tax and the franchise tax for certain
3 expenses related to a health care sharing ministry. A health
4 care sharing ministry is an organization which, through its
5 publication to subscribers, solicits funds for the payment of
6 medical expenses of other subscribers, and which otherwise
7 meets the requirements of Code section 505.22.

8 The bill exempts from the computation of net income for
9 the individual income tax amounts paid by an individual as a
10 subscriber in a health care sharing ministry, amounts paid
11 on behalf of an employee of the taxpayer to a health care
12 sharing ministry, and amounts received as a member of a health
13 care sharing ministry. In the event any amount paid by an
14 individual as a subscriber in a health care sharing ministry
15 is allowed as a deduction from federal adjusted gross income,
16 those amounts shall not be allowed as a deduction from Iowa net
17 income in addition to the exemption provided in the bill.

18 The bill also exempts from the computation of net income for
19 the corporate income tax and the franchise tax amounts paid on
20 behalf of an employee of the taxpayer to a health care sharing
21 ministry.

22 The bill applies retroactively to January 1, 2012, for tax
23 years beginning on or after that date.