

**House File 437 - Introduced**

HOUSE FILE 437

BY KOESTER

**A BILL FOR**

1 An Act allowing certain teachers an individual income tax  
2 credit for certain expenses and including retroactive  
3 applicability provisions.

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

1 Section 1. NEW SECTION. 422.11Y **Teacher expense credit.**

2 1. The taxes imposed under this division, less the credits  
3 allowed under section 422.12, shall be reduced by a teacher  
4 expense credit equal to the first four hundred fifty dollars  
5 of the cost incurred to purchase supplies by the taxpayer to  
6 assist the taxpayer in teaching at a preschool, an elementary  
7 or secondary school, which school is accredited under section  
8 256.11, or at a community college, all situated in Iowa. To  
9 qualify for the credit, the costs must be nonreimbursable  
10 from any source. If the cost incurred has been deducted in  
11 computing federal adjusted gross income, the amount of such  
12 deduction shall be added in determining net income under  
13 section 422.7. Any credit in excess of the tax liability is  
14 not refundable.

15 2. As used in this section, "*supplies*" includes but is  
16 not limited to paper supplies, bulletin boards, books, maps,  
17 charts, computer software but not hardware, and other items  
18 directly used by the taxpayer as a teacher. The cost incurred  
19 to purchase supplies for which a tax credit may be received  
20 under this section shall not be used by a school district to  
21 supplement its costs of instructional materials.

22 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies  
23 retroactively to January 1, 2011, for tax years beginning on  
24 or after that date.

25 EXPLANATION

26 This bill provides an income tax credit of up to \$450 for  
27 teachers that incur expenses for supplies directly used by  
28 them in teaching at preschools, accredited elementary or  
29 secondary schools, or community colleges in Iowa. To qualify,  
30 the expenses must be nonreimbursable from any source. If  
31 the expenses were deducted in computing federal adjusted  
32 gross income, the deduction shall be added in determining  
33 Iowa net income. These supplies include paper supplies,  
34 bulletin boards, books, maps, charts, computer software but not  
35 hardware, and other similar items directly used by the taxpayer

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1 as a teacher. The cost incurred to purchase supplies for which  
2 a tax credit may be received under this Code section shall  
3 not be used by a school district to supplement its costs of  
4 instructional materials.

5 The bill applies retroactively to January 1, 2011, for tax  
6 years beginning on or after that date.