

House File 638 - Introduced

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BY STECKMAN, THEDE, HANSON,
and RUNNING-MARQUARDT

A BILL FOR

1 An Act providing a deduction for certain casualty losses
2 and including effective and retroactive applicability
3 provisions.

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

1 Section 1. DISASTER-RELATED PERSONAL CASUALTY LOSS
2 DEDUCTIONS. A taxpayer is allowed to take the deduction for
3 disaster-related casualty losses under section 165(h) of the
4 Internal Revenue Code, as modified by the Heartland Disaster
5 Relief Act of 2008, Pub. L. No. 110-343, in computing net
6 income for state tax purposes.

7 Sec. 2. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
8 APPLICABILITY. This Act, being deemed of immediate importance,
9 takes effect upon enactment and applies retroactively to
10 January 1, 2008, for tax years beginning on or after that date
11 and before January 1, 2009.

12 Sec. 3. REFUNDS. A claim for credit or refund of income
13 taxes paid that arises under the provisions of this Act is
14 considered timely if such a claim is filed with the department
15 of revenue on or before October 1, 2011.

16 EXPLANATION

17 This bill allows taxpayers to take deductions for certain
18 disaster-related casualty losses.

19 In 2008, the midwest suffered significant property casualty
20 losses due to natural disasters. In response, the federal
21 government passed the Heartland Disaster Relief Act which
22 amended the casualty loss provisions of the Internal Revenue
23 Code. In 2009 and 2010, the state of Iowa did not conform
24 to the federal provisions related to the computation of net
25 income.

26 This bill allows Iowa taxpayers to take the deductions for
27 the 2008 tax year.

28 A claim for credit or refund of income taxes paid that arises
29 under the provisions of the bill is considered timely if such
30 a claim is filed with the department of revenue on or before
31 October 1, 2011.

32 The bill is effective upon enactment and applies
33 retroactively for the 2008 tax year.