

Senate File 31 - Introduced

SENATE FILE 31

BY JOCHUM

A BILL FOR

1 An Act increasing the amount of the earned income tax credit
2 and including retroactive applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.12B, subsection 1, Code 2011, is
2 amended to read as follows:

3 1. The taxes imposed under this division less the credits
4 allowed under section 422.12 shall be reduced by an earned
5 income credit equal to ~~seven~~ ten percent of the federal earned
6 income credit provided in section 32 of the Internal Revenue
7 Code. Any credit in excess of the tax liability is refundable.

8 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
9 retroactively to January 1, 2011, for tax years beginning on
10 or after that date.

11 EXPLANATION

12 This bill increases the amount of the state earned income
13 tax credit. Currently, the credit is equal to 7 percent of the
14 amount of a taxpayer's federal earned income tax credit. The
15 bill increases the amount of the credit to 10 percent.

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