

**Senate File 529 - Introduced**

SENATE FILE 529

BY CHELGREN

**A BILL FOR**

1 An Act excluding from the computation of net income for state  
2 tax purposes the net capital gain from sales or exchanges of  
3 assets and including retroactive applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, subsection 21, Code 2011, is  
2 amended by striking the subsection and inserting in lieu  
3 thereof the following:

4 21. Subtract, to the extent not otherwise excluded, the  
5 taxpayer's net capital gain as defined in section 1222 of the  
6 Internal Revenue Code.

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, 2011, for tax years beginning on or after that date.

11 EXPLANATION

12 This bill eliminates the taxation of an individual's net  
13 capital gain under the individual income tax. An individual's  
14 net capital gain equals the excess of the gains from the sales  
15 or exchanges of long-term capital assets over the losses from  
16 such sales or exchanges minus the excess of losses from the  
17 sales or exchanges of short-term capital assets over the gains  
18 from such sales or exchanges.

19 The bill takes effect upon enactment and applies  
20 retroactively to January 1, 2011, for tax years beginning on  
21 or after that date.