

Senate Study Bill 3116 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act relating to 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~~ thirteen percent of the federal
6 earned income credit provided in section 32 of the Internal
7 Revenue Code. Any credit in excess of the tax liability is
8 refundable.

9 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
10 retroactively to January 1, 2012, for tax years beginning on
11 or after that date.

12 EXPLANATION

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

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