

House File 440 - Introduced

HOUSE FILE 440

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A BILL FOR

1 An Act relating to the state individual income tax by modifying
2 the personal exemption credit for dependents to include
3 certain unborn children, increasing the amount of the
4 credit, and including effective date and retroactive
5 applicability provisions.

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

1 Section 1. Section 96.3, subsection 4, Code 2013, is amended
2 to read as follows:

3 4. *Determination of benefits.* With respect to benefit years
4 beginning on or after July 1, 1983, an eligible individual's
5 weekly benefit amount for a week of total unemployment shall be
6 an amount equal to the following fractions of the individual's
7 total wages in insured work paid during that quarter of
8 the individual's base period in which such total wages were
9 highest; the director shall determine annually a maximum weekly
10 benefit amount equal to the following percentages, to vary with
11 the number of dependents, of the statewide average weekly wage
12 paid to employees in insured work which shall be effective the
13 first day of the first full week in July:

14 If the 15 number of 16 dependents 17 is:	The weekly benefit amount shall equal the following fraction of high quarter wages:	Subject to the following maximum percentage of the statewide average weekly wage:
21 0	1/23	53%
22 1	1/22	55%
23 2	1/21	57%
24 3	1/20	60%
25 4 or more	1/19	65%

26 The maximum weekly benefit amount, if not a multiple of one
27 dollar, shall be rounded to the lower multiple of one dollar.
28 However, until such time as sixty-five percent of the statewide
29 average weekly wage exceeds one hundred ninety dollars, the
30 maximum weekly benefit amounts shall be determined using the
31 statewide average weekly wage computed on the basis of wages
32 reported for calendar year 1981. As used in this section
33 *"dependent"* ~~means dependent as defined in section 422.12,~~
34 ~~subsection 1, paragraph "a"~~ has the same meaning as provided by
35 the Internal Revenue Code, as if the individual claimant was

1 a taxpayer, except that an individual claimant's nonworking
2 spouse shall be deemed to be a dependent under this section.
3 "Nonworking spouse" means a spouse who does not earn more than
4 one hundred twenty dollars in gross wages in one week.

5 Sec. 2. Section 422.12, subsection 1, paragraph a, Code
6 2013, is amended to read as follows:

7 a. "Dependent" has the same meaning as provided by the
8 Internal Revenue Code, but also includes a fetus that has, as
9 determined by a physician, completed at least twelve weeks of
10 gestation as of the last day of the tax year and that has been
11 under the care and observation of a physician since at least
12 twelve weeks of gestation.

13 Sec. 3. Section 422.12, subsection 1, Code 2013, is amended
14 by adding the following new paragraphs:

15 NEW PARAGRAPH. 0c. "Fetus" means a human fetus.

16 NEW PARAGRAPH. 00c. "Physician" means a person licensed
17 to practice medicine and surgery, or osteopathic medicine and
18 surgery, under the laws of this state or any other state.

19 Sec. 4. Section 422.12, subsection 2, paragraph a,
20 subparagraph (3), Code 2013, is amended to read as follows:

21 (3) For each dependent, an additional ~~forty~~ eighty dollars.

22 Sec. 5. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
23 immediate importance, takes effect upon enactment.

24 Sec. 6. RETROACTIVE APPLICABILITY. This Act applies
25 retroactively to January 1, 2013, for tax years beginning on
26 or after that date.

27 EXPLANATION

28 This bill relates to the individual income tax by amending
29 the personal exemption credit for dependents available under
30 Code section 422.12 to include a fetus that meets certain
31 requirements. To qualify as a dependent for purposes of the
32 exemption credit, a fetus must have completed at least 12
33 weeks of gestation as of the last day of the tax year, as
34 determined by a physician, and must have been under the care
35 and observation of a physician since at least 12 weeks of

1 gestation. Both "fetus" and "physician" are defined in the
2 bill.

3 The bill increases the amount of the credit from \$40 to \$80
4 per dependent. The bill makes a conforming amendment to the
5 definition of "dependent" in Code section 96.3 to prevent a
6 fetus from being included in the definition for purposes of
7 calculating unemployment compensation benefits.

8 The bill takes effect upon enactment and applies
9 retroactively to January 1, 2013, for tax years beginning on
10 or after that date.