

**House File 79 - Introduced**

HOUSE FILE 79  
BY WINDSCHITL

**A BILL FOR**

1 An Act creating exemptions from the computation of net  
2 income for the individual and corporate income tax and  
3 the franchise tax of amounts paid to and received from a  
4 health care sharing ministry and including retroactive  
5 applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code 2013, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 57. Subtract the following:

4 a. To the extent not otherwise deducted in computing  
5 adjusted gross income, amounts paid by an individual as a  
6 subscriber in a health care sharing ministry that meets the  
7 requirements of section 505.22.

8 b. To the extent not otherwise deducted in computing  
9 adjusted gross income, amounts paid on behalf of an employee of  
10 the taxpayer to a health care sharing ministry that meets the  
11 requirements of section 505.22, which payment is part of the  
12 employee's subscription in the health care sharing ministry.

13 c. To the extent included, amounts received as a member of  
14 a health care sharing ministry that meets the requirements of  
15 section 505.22.

16 Sec. 2. Section 422.9, subsection 2, Code 2013, is amended  
17 by adding the following new paragraph:

18 NEW PARAGRAPH. j. If the taxpayer has a deduction for  
19 health care sharing ministry expenses under the Internal  
20 Revenue Code, the taxpayer shall recompute for the purposes of  
21 this subsection the amount of the deduction under the Internal  
22 Revenue Code by excluding from health care sharing ministry  
23 expenses the amounts subtracted under section 422.7, subsection  
24 57, paragraph "a".

25 Sec. 3. Section 422.35, Code 2013, is amended by adding the  
26 following new subsection:

27 NEW SUBSECTION. 26. Subtract, to the extent not already  
28 excluded, amounts paid on behalf of an employee of the taxpayer  
29 to a health care sharing ministry that meets the requirements  
30 of section 505.22, which payment is part of the employee's  
31 subscription in the health care sharing ministry.

32 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies  
33 retroactively to January 1, 2013, for tax years beginning on  
34 or after that date.

35

EXPLANATION

1 This bill creates exemptions from the individual and  
2 corporate income tax and the franchise tax for certain  
3 expenses related to a health care sharing ministry. A health  
4 care sharing ministry is an organization which, through its  
5 publication to subscribers, solicits funds for the payment of  
6 medical expenses of other subscribers, and which otherwise  
7 meets the requirements of Code section 505.22.

8 The bill exempts from the computation of net income for  
9 the individual income tax amounts paid by an individual as a  
10 subscriber in a health care sharing ministry, amounts paid  
11 on behalf of an employee of the taxpayer to a health care  
12 sharing ministry, and amounts received as a member of a health  
13 care sharing ministry. In the event any amount paid by an  
14 individual as a subscriber in a health care sharing ministry  
15 is allowed as a deduction from federal adjusted gross income,  
16 those amounts shall not be allowed as a deduction from Iowa net  
17 income in addition to the exemption provided in the bill.

18 The bill also exempts from the computation of net income for  
19 the corporate income tax and the franchise tax amounts paid on  
20 behalf of an employee of the taxpayer to a health care sharing  
21 ministry.

22 The bill applies retroactively to January 1, 2013, for tax  
23 years beginning on or after that date.