

Senate File 422 - Introduced

SENATE FILE 422

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 88)

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:

S.F. 422

1 Section 1. Section 422.12B, subsection 1, Code 2013, 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~~ twenty 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, 2013, 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 20 percent of the
17 federal credit.

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