

Senate Study Bill 1158 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
VETERANS AFFAIRS BILL BY
CHAIRPERSON BEALL)

A BILL FOR

1 An Act exempting federal retirement pay of a resident received
2 for military service from the state individual income tax
3 and including retroactive applicability provisions.
4 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. 31A. *a.* Subtract, to the extent included,
4 retirement pay received by a resident taxpayer from the federal
5 government for military service performed in the armed forces,
6 the armed forces military reserve, or national guard.

7 *b.* The exclusion of retirement pay under this subsection is
8 in addition to any exclusion provided under subsection 31.

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 exempts from the individual income tax all
14 retirement pay of an Iowa resident from federal military
15 service in the armed forces, the military reserve, or national
16 guard. The exemption is in addition to the general pension
17 exclusion.

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