

Senate Study Bill 3125 - Introduced

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

A BILL FOR

1 An Act exempting from the state individual income tax the
2 federal retirement pay of a resident received for military
3 service 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 2014, 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 the 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, 2014, for tax years beginning on
11 or after that date.

12 EXPLANATION

13 The inclusion of this explanation does not constitute agreement with
14 the explanation's substance by the members of the general assembly.

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

20 The bill applies retroactively to January 1, 2014, for tax
21 years beginning on or after that date.