

House File 618 - Introduced

HOUSE FILE 618

BY HEARTSILL, HOLT, SHEETS,
and PETTENGILL

A BILL FOR

1 An Act relating to the individual income tax checkoff for the
2 Iowa election campaign fund by providing for the future
3 repeal of the tax checkoff and the Iowa election campaign
4 fund, and including effective date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

IOWA ELECTION CAMPAIGN FUND TAX CHECKOFF

Section 1. Section 68A.601, Code 2015, is amended to read as follows:

68A.601 Checkoff — income tax.

A For tax years beginning before January 1, 2015, a person whose state income tax liability for any taxable year is one dollar and fifty cents or more may direct that one dollar and fifty cents of that liability be paid over to the Iowa election campaign fund when submitting the person's state income tax return to the department of revenue. In the case of a joint return of husband and wife having a state income tax liability of three dollars or more, each spouse may direct that one dollar and fifty cents be paid to the fund. ~~The~~ For tax years beginning before January 1, 2015, the director of revenue shall draft the income tax form to provide spaces on the tax return which the taxpayer may use to designate that contributions made under this section be credited to a specified political party as defined by section 43.2, or to the Iowa election campaign fund as a contribution to be shared by all such political parties in the manner prescribed by section 68A.602. The form shall inform the taxpayer of the consequences of the choices provided under this section, but this information may be contained in a footnote or other suitable form if the director of revenue finds it is not feasible to place the information immediately above the signature line. The action taken by a person for the checkoff is irrevocable.

Sec. 2. Section 422.12J, Code 2015, is amended to read as follows:

422.12J Income tax checkoff for Iowa election campaign fund.

A For tax years beginning before January 1, 2015, a person who files an individual or a joint income tax return with the department of revenue under section 422.13 may designate a contribution to the Iowa election campaign fund authorized pursuant to section 68A.601.

DIVISION II

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FUTURE REPEAL OF IOWA ELECTION CAMPAIGN FUND TAX CHECKOFF
Sec. 3. Section 68A.103, subsection 2, Code 2015, is amended by striking the subsection.

Sec. 4. Section 97B.3, subsection 2, Code 2015, is amended to read as follows:

2. The qualifications for appointment as the chief executive officer shall include management-level pension fund administration experience. The qualifications for appointment as the chief executive officer shall also include a demonstrated knowledge of all aspects of pension fund administration, including financial management, investment asset management, benefit design and delivery, legal administration, and operations administration. The chief executive officer shall not be selected on the basis of political affiliation, and while employed as the chief executive officer, shall not be a member of a political committee, participate in a political campaign, or be a candidate for a partisan elective office, and shall not contribute to a political campaign fund, except that the chief executive officer may designate on the checkoff portion of the ~~state or federal income tax return, or both,~~ a party or parties to which a contribution is made pursuant to the checkoff. The chief executive officer shall not hold any other office under the laws of the United States or of this or any state and shall devote full time to the duties of office.

Sec. 5. Section 422.12D, subsection 2, Code 2015, is amended to read as follows:

2. The director of revenue shall draft the income tax form to allow the designation of contributions to the foundation fund on the tax return. The department, on or before January 31, shall transfer the total amount designated on the tax form due in the preceding year to the foundation fund. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of

1 administrative services and accounts identified as owing under
2 section 8A.504 ~~and the political contribution allowed under~~
3 ~~section 68A.601~~ shall be satisfied.

4 Sec. 6. Section 422.12E, subsection 1, Code 2015, is amended
5 to read as follows:

6 1. For tax years beginning on or after January 1, 2004,
7 there shall be allowed no more than four income tax return
8 checkoffs on each income tax return. When the same four income
9 tax return checkoffs have been provided on the income tax
10 return for two consecutive years, the two checkoffs for which
11 the least amount has been contributed, in the aggregate for the
12 first tax year and through March 15 of the second tax year, are
13 repealed. ~~This section does not apply to the income tax return~~
14 ~~checkoff provided in section 68A.601.~~

15 Sec. 7. Section 422.12K, subsection 2, Code 2015, is amended
16 to read as follows:

17 2. The director of revenue shall draft the income tax form
18 to allow the designation of contributions to the child abuse
19 prevention program fund on the tax return. The department of
20 revenue, on or before January 31, shall transfer the total
21 amount designated on the tax return forms due in the preceding
22 calendar year to the child abuse prevention program fund.
23 However, before a checkoff pursuant to this section shall be
24 permitted, all liabilities on the books of the department of
25 administrative services and accounts identified as owing under
26 section 8A.504 ~~and the political contribution allowed under~~
27 ~~section 68A.601~~ shall be satisfied.

28 Sec. 8. Section 422.12L, subsection 2, Code 2015, is amended
29 to read as follows:

30 2. The director of revenue shall draft the income tax form
31 to allow the designation of contributions to the veterans trust
32 fund and to the volunteer fire fighter preparedness fund as
33 one checkoff on the tax return. The department of revenue,
34 on or before January 31, shall transfer one-half of the total
35 amount designated on the tax return forms due in the preceding

1 calendar year to the veterans trust fund and the remaining
2 one-half to the volunteer fire fighter preparedness fund.
3 However, before a checkoff pursuant to this section shall be
4 permitted, all liabilities on the books of the department of
5 administrative services and accounts identified as owing under
6 section 8A.504 and ~~the political contribution allowed under~~
7 ~~section 68A.601~~ shall be satisfied.

8 Sec. 9. Section 456A.16, unnumbered paragraph 7, Code 2015,
9 is amended to read as follows:

10 The department shall adopt rules to implement this section.
11 However, before a checkoff pursuant to this section shall be
12 permitted, all liabilities on the books of the department of
13 administrative services and accounts identified as owing under
14 section 8A.504 and ~~the political contribution allowed under~~
15 ~~section 68A.601~~ shall be satisfied.

16 Sec. 10. Section 474.10, Code 2015, is amended to read as
17 follows:

18 **474.10 General counsel.**

19 The board shall employ a competent attorney to serve as its
20 general counsel, and assistants to the general counsel as it
21 finds necessary for the full and efficient discharge of its
22 duties. The general counsel is the attorney for, and legal
23 advisor of, the board and is exempt from the merit system
24 provisions of chapter 8A, subchapter IV. Assistants to the
25 general counsel are subject to the merit system provisions of
26 chapter 8A, subchapter IV. The general counsel or an assistant
27 to the general counsel shall provide the necessary legal advice
28 to the board in all matters and represent the board in all
29 actions instituted in a state or federal court challenging
30 the validity of a rule or order of the board. The existence
31 of a fact which disqualifies a person from election or from
32 acting as a utilities board member disqualifies the person from
33 employment as general counsel or assistant general counsel.
34 The general counsel shall devote full time to the duties of the
35 office. During employment the counsel shall not be a member of

1 a political committee, contribute to a political campaign fund
2 other than through the income tax checkoff for contributions to
3 ~~the Iowa election campaign fund and~~ the presidential election
4 campaign fund, participate in a political campaign, or be a
5 candidate for a political office.

6 Sec. 11. Section 475A.1, subsection 4, Code 2015, is amended
7 to read as follows:

8 4. *Political activity prohibited.* The consumer advocate
9 shall devote the advocate's entire time to the duties of the
10 office; and during the advocate's term of office the advocate
11 shall not be a member of a political committee or contribute
12 to a political campaign fund other than through the income tax
13 checkoff for contributions to ~~the Iowa election campaign fund~~
14 ~~and~~ the presidential election campaign fund or take part in
15 political campaigns or be a candidate for a political office.

16 Sec. 12. Section 904.107, Code 2015, is amended to read as
17 follows:

18 **904.107 Director — appointment and qualifications.**

19 The chief administrative officer for the department is the
20 director. The director shall be appointed by the governor
21 subject to confirmation by the senate and shall serve at the
22 pleasure of the governor. The director shall be qualified
23 in reformatory and prison management, knowledgeable in
24 community-based corrections, and shall possess administrative
25 ability. The director shall also have experience in the field
26 of criminology and discipline and in the supervision of inmates
27 in corrective penal institutions. The director shall not be
28 selected on the basis of political affiliation, and while
29 employed as the director, shall not be a member of a political
30 committee, participate in a political campaign, be a candidate
31 for a partisan elective office, and shall not contribute to a
32 political campaign fund, except that the director may designate
33 on the checkoff portion of the ~~state or~~ federal income tax
34 ~~return, or both,~~ a party or parties to which a contribution is
35 made pursuant to the checkoff. The director shall not hold any

1 other office under the laws of the United States or of this or
2 any state or hold any position for profit and shall devote full
3 time to the duties of office.

4 Sec. 13. REPEAL. Sections 68A.601, 68A.602, 68A.603,
5 68A.604, 68A.605, 68A.606, 68A.607, 68A.608, 68A.609, and
6 422.12J, Code 2015, are repealed.

7 Sec. 14. EFFECTIVE DATE. This division of this Act takes
8 effect July 1, 2016.

9

EXPLANATION

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

12 This bill relates to the Iowa election campaign income tax
13 checkoff and the Iowa election campaign fund.

14 Under current law, the Iowa election campaign income tax
15 checkoff allows individuals to designate on their income tax
16 return up to \$1.50 of their state tax liability to the Iowa
17 election campaign fund. The checkoff is not subject to the
18 provisions of Code section 422.12E.

19 Moneys in the Iowa election campaign fund, consisting of
20 a separate fund for each political party, are disbursed to
21 candidates for partisan public office at the request of the
22 candidate and at the discretion of the state central committee
23 of each political party. The Iowa ethics and campaign
24 disclosure board is responsible for administering the Iowa
25 election campaign fund. Any moneys not used by the political
26 parties by the end of a general election year revert to the
27 general fund of the state.

28 Division I of the bill restricts the Iowa election campaign
29 income tax checkoff to tax years beginning before January 1,
30 2015. The checkoff will not be available on the individual
31 income tax return for tax year 2015, nor any tax year
32 thereafter.

33 Division II of the bill provides that the Iowa election
34 campaign income tax checkoff and the Iowa election campaign
35 fund are repealed effective July 1, 2016.