

House File 242 - Introduced

HOUSE FILE 242

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 6)

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:

DIVISION I

IOWA ELECTION CAMPAIGN FUND TAX CHECKOFF

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3 Section 1. Section 68A.601, Code 2017, is amended to read
4 as follows:

5 **68A.601 Checkoff — income tax.**

6 A For tax years beginning before January 1, 2017, a person
7 whose state income tax liability for any taxable year is one
8 dollar and fifty cents or more may direct that one dollar and
9 fifty cents of that liability be paid over to the Iowa election
10 campaign fund when submitting the person's state income tax
11 return to the department of revenue. In the case of a joint
12 return of husband and wife having a state income tax liability
13 of three dollars or more, each spouse may direct that one
14 dollar and fifty cents be paid to the fund. ~~The~~ For tax years
15 beginning before January 1, 2017, the director of revenue shall
16 draft the income tax form to provide spaces on the tax return
17 which the taxpayer may use to designate that contributions made
18 under [this section](#) be credited to a specified political party
19 as defined by [section 43.2](#), or to the Iowa election campaign
20 fund as a contribution to be shared by all such political
21 parties in the manner prescribed by [section 68A.602](#). The form
22 shall inform the taxpayer of the consequences of the choices
23 provided under [this section](#), but this information may be
24 contained in a footnote or other suitable form if the director
25 of revenue finds it is not feasible to place the information
26 immediately above the signature line. The action taken by a
27 person for the checkoff is irrevocable.

28 Sec. 2. Section 422.12J, Code 2017, is amended to read as
29 follows:

30 **422.12J Income tax checkoff for Iowa election campaign fund.**

31 A For tax years beginning before January 1, 2017, a person
32 who files an individual or a joint income tax return with
33 the department of revenue under [section 422.13](#) may designate
34 a contribution to the Iowa election campaign fund authorized
35 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 2017, is amended by striking the subsection.

Sec. 4. Section 97B.3, subsection 2, Code 2017, 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 2017, 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 2017, is amended
5 to read as follows:

6 1. For tax years beginning on or after January 1, 2019,
7 there shall be allowed no more than four income tax return
8 checkoffs on each income tax return. For tax years beginning
9 on or after January 1, 2017, when the same four income tax
10 return checkoffs have been provided on the income tax return
11 for two consecutive years, the two checkoffs for which the
12 least amount has been contributed, in the aggregate for the
13 first tax year and through March 15 of the second tax year, are
14 repealed. ~~This section does not apply to the income tax return~~
15 ~~checkoff provided in section 68A.601.~~

16 Sec. 7. Section 422.12K, subsection 2, Code 2017, is amended
17 to read as follows:

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

29 Sec. 8. Section 422.12L, subsection 2, Code 2017, is amended
30 to read as follows:

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

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

9 Sec. 9. Section 456A.16, subsection 7, Code 2017, is amended
10 to read as follows:

11 7. The department shall adopt rules pursuant to [chapter 17A](#)
12 to implement [this section](#). However, before a checkoff pursuant
13 to [this section](#) shall be permitted, all liabilities on the
14 books of the department of administrative services and accounts
15 identified as owing under [section 8A.504](#) ~~and the political~~
16 ~~contribution allowed under section 68A.601~~ shall be satisfied.

17 Sec. 10. Section 474.10, Code 2017, is amended to read as
18 follows:

19 **474.10 General counsel.**

20 The board shall employ a competent attorney to serve as its
21 general counsel, and assistants to the general counsel as it
22 finds necessary for the full and efficient discharge of its
23 duties. The general counsel is the attorney for, and legal
24 advisor of, the board and is exempt from the merit system
25 provisions of [chapter 8A, subchapter IV](#). Assistants to the
26 general counsel are subject to the merit system provisions of
27 chapter 8A, subchapter IV. The general counsel or an assistant
28 to the general counsel shall provide the necessary legal advice
29 to the board in all matters and represent the board in all
30 actions instituted in a state or federal court challenging
31 the validity of a rule or order of the board. The existence
32 of a fact which disqualifies a person from election or from
33 acting as a utilities board member disqualifies the person from
34 employment as general counsel or assistant general counsel.
35 The general counsel shall devote full time to the duties of the

1 office. During employment the counsel shall not be a member of
2 a political committee, contribute to a political campaign fund
3 other than through the income tax checkoff for contributions to
4 ~~the Iowa election campaign fund and~~ the presidential election
5 campaign fund, participate in a political campaign, or be a
6 candidate for a political office.

7 Sec. 11. Section 475A.1, subsection 4, Code 2017, is amended
8 to read as follows:

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

18 Sec. 12. Section 904.107, Code 2017, is amended to read as
19 follows:

20 **904.107 Director — appointment and qualifications.**

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

1 return, ~~or both~~, a party or parties to which a contribution is
2 made pursuant to the checkoff. The director shall not hold any
3 other office under the laws of the United States or of this or
4 any state or hold any position for profit and shall devote full
5 time to the duties of office.

6 Sec. 13. REPEAL. Sections 68A.601, 68A.602, 68A.603,
7 68A.604, 68A.605, 68A.606, 68A.607, 68A.608, 68A.609, and
8 422.12J, Code 2017, are repealed.

9 Sec. 14. EFFECTIVE DATE. This division of this Act takes
10 effect July 1, 2018.

11

EXPLANATION

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

14 This bill relates to the Iowa election campaign income tax
15 checkoff and the Iowa election campaign fund.

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

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

30 Division I of the bill restricts the Iowa election campaign
31 income tax checkoff to tax years beginning before January 1,
32 2017. The checkoff will not be available on the individual
33 income tax return for tax year 2017, nor any tax year
34 thereafter.

35 Division II of the bill provides that the Iowa election

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1 campaign income tax checkoff and the Iowa election campaign
2 fund are repealed effective July 1, 2018.