

**Senate File 2399 - Introduced**

SENATE FILE 2399

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2379)

**A BILL FOR**

1 An Act exempting from the Iowa individual income tax the amount  
2 of income resulting from prize money and medals received  
3 from competition in the olympic or paralympic games, and  
4 including retroactive applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code 2018, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 18. *a.* Subtract, to the extent included,  
4 the amount of income resulting from the value of any medal  
5 awarded in, or any prize money received from the United States  
6 olympic committee on account of, competition in the olympic  
7 games or paralympic games.

8 *b.* The subtraction in paragraph "a" does not apply to a  
9 taxpayer whose net income exceeds one million dollars for the  
10 tax year, or five hundred thousand dollars in the case of a  
11 married person filing separate returns or separately on a  
12 combined return.

13 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies  
14 retroactively to January 1, 2018, for tax years beginning on  
15 or after that date.

16 EXPLANATION

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

19 This bill relates to the taxation of medals or prize money  
20 received from competition in the olympic or paralympic games.

21 For federal income tax purposes pursuant to Internal Revenue  
22 Code §74(d), enacted by Congress in 2016, income resulting from  
23 the value of any medal awarded in, or any prize money received  
24 from the United States olympic committee on account of,  
25 competition in the olympic games or paralympic games is exempt  
26 from the federal income tax for individuals whose adjusted  
27 gross income does not exceed \$1 million (\$500,000 for married  
28 individuals filing separately). However, Iowa has not coupled  
29 with (enacted) this federal provision for purposes of the Iowa  
30 individual income tax.

31 The bill exempts from the Iowa individual income tax the  
32 amount of income resulting from the value of any medal awarded  
33 in, or any prize money received from the United States olympic  
34 committee on account of, competition in the olympic games or  
35 paralympic games to any taxpayer whose net income does not

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1 exceed \$1 million (\$500,000 in the case of a married person  
2 filing separate returns or separately on a combined return).  
3 The bill applies retroactively to January 1, 2018, for tax  
4 years beginning on or after that date.