

Senate Study Bill 1066 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON FEENSTRA)

A BILL FOR

1 An Act relating to the Iowa election campaign fund individual
2 income tax checkoff by providing for the repeal of the
3 tax checkoff and the future repeal of the Iowa election
4 campaign fund, and including effective date and retroactive
5 applicability provisions.

6 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 2017, is amended to read as follows:

68A.601 Checkoff — income tax.

A For tax years beginning before January 1, 2016, 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, 2016, 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. For tax years beginning on or after January 1, 2016, any designation by a taxpayer to contribute to the Iowa election campaign fund shall be invalid, even if the income tax form provides space to make such a designation.

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

422.12J Income tax checkoff for Iowa election campaign fund.

A For tax years beginning before January 1, 2016, a person

1 who files an individual or a joint income tax return with
2 the department of revenue under [section 422.13](#) may designate
3 a contribution to the Iowa election campaign fund authorized
4 pursuant to [section 68A.601](#). For tax years beginning on
5 or after January 1, 2016, any designation by a taxpayer to
6 contribute to the Iowa election campaign fund shall be invalid,
7 even if the income tax form provides space to make such a
8 designation.

9 Sec. 3. EFFECTIVE UPON ENACTMENT. This division of this
10 Act, being deemed of immediate importance, takes effect upon
11 enactment.

12 Sec. 4. RETROACTIVE APPLICABILITY. This division of this
13 Act applies retroactively to January 1, 2016, for tax years
14 beginning on or after that date.

15 DIVISION II

16 FUTURE REPEAL OF IOWA ELECTION CAMPAIGN FUND TAX CHECKOFF

17 Sec. 5. Section 68A.103, subsection 2, Code 2017, is amended
18 by striking the subsection.

19 Sec. 6. Section 97B.3, subsection 2, Code 2017, is amended
20 to read as follows:

21 2. The qualifications for appointment as the chief
22 executive officer shall include management-level pension
23 fund administration experience. The qualifications for
24 appointment as the chief executive officer shall also
25 include a demonstrated knowledge of all aspects of pension
26 fund administration, including financial management,
27 investment asset management, benefit design and delivery,
28 legal administration, and operations administration. The
29 chief executive officer shall not be selected on the basis
30 of political affiliation, and while employed as the chief
31 executive officer, shall not be a member of a political
32 committee, participate in a political campaign, or be a
33 candidate for a partisan elective office, and shall not
34 contribute to a political campaign fund, except that the chief
35 executive officer may designate on the checkoff portion of the

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

6 Sec. 7. Section 422.12D, subsection 2, Code 2017, is amended
7 to read as follows:

8 2. The director of revenue shall draft the income tax form
9 to allow the designation of contributions to the foundation
10 fund on the tax return. The department, on or before January
11 31, shall transfer the total amount designated on the tax
12 form due in the preceding year to the foundation fund.
13 However, before a checkoff pursuant to [this section](#) shall be
14 permitted, all liabilities on the books of the department of
15 administrative services and accounts identified as owing under
16 section 8A.504 ~~and the political contribution allowed under~~
17 ~~section 68A.601~~ shall be satisfied.

18 Sec. 8. Section 422.12E, subsection 1, Code 2017, is amended
19 to read as follows:

20 1. For tax years beginning on or after January 1, 2019,
21 there shall be allowed no more than four income tax return
22 checkoffs on each income tax return. For tax years beginning
23 on or after January 1, 2017, when the same four income tax
24 return checkoffs have been provided on the income tax return
25 for two consecutive years, the two checkoffs for which the
26 least amount has been contributed, in the aggregate for the
27 first tax year and through March 15 of the second tax year, are
28 repealed. ~~This section does not apply to the income tax return~~
29 ~~checkoff provided in section 68A.601.~~

30 Sec. 9. Section 422.12K, subsection 2, Code 2017, is amended
31 to read as follows:

32 2. The director of revenue shall draft the income tax form
33 to allow the designation of contributions to the child abuse
34 prevention program fund on the tax return. The department of
35 revenue, on or before January 31, shall transfer the total

1 amount designated on the tax return forms due in the preceding
2 calendar year to the child abuse prevention program 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. 10. Section 422.12L, subsection 2, Code 2017, is
9 amended to read as follows:

10 2. The director of revenue shall draft the income tax form
11 to allow the designation of contributions to the veterans trust
12 fund and to the volunteer fire fighter preparedness fund as
13 one checkoff on the tax return. The department of revenue,
14 on or before January 31, shall transfer one-half of the total
15 amount designated on the tax return forms due in the preceding
16 calendar year to the veterans trust fund and the remaining
17 one-half to the volunteer fire fighter preparedness fund.
18 However, before a checkoff pursuant to [this section](#) shall be
19 permitted, all liabilities on the books of the department of
20 administrative services and accounts identified as owing under
21 section 8A.504 and the political contribution allowed under
22 ~~section 68A.601~~ shall be satisfied.

23 Sec. 11. Section 456A.16, subsection 7, Code 2017, is
24 amended to read as follows:

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

31 Sec. 12. Section 474.10, Code 2017, is amended to read as
32 follows:

33 **474.10 General counsel.**

34 The board shall employ a competent attorney to serve as its
35 general counsel, and assistants to the general counsel as it

1 finds necessary for the full and efficient discharge of its
2 duties. The general counsel is the attorney for, and legal
3 advisor of, the board and is exempt from the merit system
4 provisions of **chapter 8A, subchapter IV**. Assistants to the
5 general counsel are subject to the merit system provisions of
6 chapter 8A, subchapter IV. The general counsel or an assistant
7 to the general counsel shall provide the necessary legal advice
8 to the board in all matters and represent the board in all
9 actions instituted in a state or federal court challenging
10 the validity of a rule or order of the board. The existence
11 of a fact which disqualifies a person from election or from
12 acting as a utilities board member disqualifies the person from
13 employment as general counsel or assistant general counsel.
14 The general counsel shall devote full time to the duties of the
15 office. During employment the counsel shall not be a member of
16 a political committee, contribute to a political campaign fund
17 other than through the income tax checkoff for contributions to
18 ~~the Iowa election campaign fund and~~ the presidential election
19 campaign fund, participate in a political campaign, or be a
20 candidate for a political office.

21 Sec. 13. Section 475A.1, subsection 4, Code 2017, is amended
22 to read as follows:

23 4. *Political activity prohibited.* The consumer advocate
24 shall devote the advocate's entire time to the duties of the
25 office; ~~and during.~~ During the advocate's term of office the
26 advocate shall not be a member of a political committee or
27 contribute to a political campaign fund other than through the
28 income tax checkoff for contributions to ~~the Iowa election~~
29 ~~campaign fund and~~ the presidential election campaign fund
30 or take part in political campaigns or be a candidate for a
31 political office.

32 Sec. 14. Section 904.107, Code 2017, is amended to read as
33 follows:

34 **904.107 Director — appointment and qualifications.**

35 The chief administrative officer for the department is the

1 director. The director shall be appointed by the governor
2 subject to confirmation by the senate and shall serve at the
3 pleasure of the governor. The director shall be qualified
4 in reformatory and prison management, knowledgeable in
5 community-based corrections, and shall possess administrative
6 ability. The director shall also have experience in the field
7 of criminology and discipline and in the supervision of inmates
8 in corrective penal institutions. The director shall not be
9 selected on the basis of political affiliation, and while
10 employed as the director, shall not be a member of a political
11 committee, participate in a political campaign, be a candidate
12 for a partisan elective office, and shall not contribute to a
13 political campaign fund, except that the director may designate
14 on the checkoff portion of the ~~state or~~ federal income tax
15 return, ~~or both~~, a party or parties to which a contribution is
16 made pursuant to the checkoff. The director shall not hold any
17 other office under the laws of the United States or of this or
18 any state or hold any position for profit and shall devote full
19 time to the duties of office.

20 Sec. 15. REPEAL. Sections 68A.601, 68A.602, 68A.603,
21 68A.604, 68A.605, 68A.606, 68A.607, 68A.608, 68A.609, and
22 422.12J, Code 2017, are repealed.

23 Sec. 16. EFFECTIVE DATE. This division of this Act takes
24 effect July 1, 2018.

25 EXPLANATION

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

28 This bill relates to the Iowa election campaign income tax
29 checkoff and the Iowa election campaign fund.

30 Under current law, the Iowa election campaign income tax
31 checkoff allows individuals to designate on their income tax
32 return up to \$1.50 of their state tax liability to the Iowa
33 election campaign fund. The checkoff is not subject to the
34 provisions of Code section 422.12E.

35 Moneys in the Iowa election campaign fund, consisting of

1 a separate fund for each political party, are disbursed to
2 candidates for partisan public office at the request of the
3 candidate and at the discretion of the state central committee
4 of each political party. The Iowa ethics and campaign
5 disclosure board is responsible for administering the Iowa
6 election campaign fund. Any moneys not used by the political
7 parties by the end of a general election year revert to the
8 general fund of the state.

9 Division I of the bill restricts the Iowa election
10 campaign income tax checkoff to tax years beginning before
11 January 1, 2016. The checkoff will not be available on the
12 individual income tax return for tax year 2016, nor any tax
13 year thereafter. The bill provides that any designation by a
14 taxpayer to contribute to the Iowa election campaign fund for
15 tax year 2016 or later is invalid, even if the income tax form
16 provides space to make such a designation.

17 Division I takes effect upon enactment and applies
18 retroactively to January 1, 2016, for tax years beginning on
19 or after that date.

20 Division II of the bill provides that the Iowa election
21 campaign income tax checkoff and the Iowa election campaign
22 fund are repealed effective July 1, 2018.