

**Senate File 22 - Introduced**

SENATE FILE 22

BY ZAUN

**A BILL FOR**

1 An Act relating to the exclusion of certain retirement  
2 income from the calculation of net income, and including  
3 retroactive applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, subsection 31, Code 2019, is  
2 amended to read as follows:

3 31. For a person who is disabled, or is fifty-five years of  
4 age or older, or is the surviving spouse of an individual or  
5 a survivor having an insurable interest in an individual who  
6 would have qualified for the exemption under **this subsection**  
7 for the tax year, subtract, to the extent included, the  
8 total amount of a governmental or other pension or retirement  
9 pay, including, but not limited to, defined benefit or  
10 defined contribution plans, annuities, individual retirement  
11 accounts, plans maintained or contributed to by an employer,  
12 or maintained or contributed to by a self-employed person as  
13 an employer, and deferred compensation plans or any earnings  
14 attributable to the deferred compensation plans, up to a  
15 maximum of ~~six~~ twelve thousand dollars for a person, other than  
16 a husband or wife, who files a separate state income tax return  
17 and up to a maximum of ~~twelve~~ twenty-four thousand dollars for  
18 a husband and wife who file a joint state income tax return.  
19 However, a surviving spouse who is not disabled or fifty-five  
20 years of age or older can only exclude the amount of pension or  
21 retirement pay received as a result of the death of the other  
22 spouse. A husband and wife filing separate state income tax  
23 returns or separately on a combined state return are allowed  
24 a combined maximum exclusion under **this subsection** of up to  
25 ~~twelve~~ twenty-four thousand dollars. The ~~twelve~~ twenty-four  
26 thousand dollar exclusion shall be allocated to the husband or  
27 wife in the proportion that each spouse's respective pension  
28 and retirement pay received bears to total combined pension and  
29 retirement pay received.

30 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies  
31 retroactively to January 1, 2019, for tax years beginning on  
32 or after that date.

33 EXPLANATION

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

1 This bill relates to the exclusion of certain retirement  
2 income from the calculation of net income.

3 Under the bill, a taxpayer who is disabled, who is at least  
4 55 years of age, or who is the surviving spouse or other  
5 specified survivor of that qualifying taxpayer may exclude a  
6 maximum of \$12,000 of other retirement income (\$24,000 for  
7 married couples).

8 Currently, a taxpayer who is disabled, who is at least 55  
9 years of age, or who is the surviving spouse or other specified  
10 survivor of that qualifying taxpayer may exclude a maximum  
11 of \$6,000 of other retirement income (\$12,000 for married  
12 couples).

13 The bill does not affect the current exclusion of military  
14 retirement income.