

Senate Study Bill 1185 - Introduced

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

A BILL FOR

1 An Act exempting from the individual income tax wages of
2 individuals received for providing services to persons with
3 physical or mental impairments, and including applicability
4 provisions.

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

1 Section 1. Section 422.7, Code 2019, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 18. *a.* Subtract the amount of wages
4 received by an individual for providing services to persons
5 domiciled in this state with a physical or mental impairment
6 that substantially limits one or more major life activities.
7 *b.* For purposes of this subsection, "services" means
8 services performed at an intermediate care facility for persons
9 with an intellectual disability as defined in section 135C.1,
10 or an intermediate care facility for persons with mental
11 illness as defined in section 135C.1. "Services" also includes
12 services performed under a federal home and community-based
13 services waiver.

14 Sec. 2. APPLICABILITY. This Act applies to tax years
15 beginning on or after January 1, 2020.

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 The bill exempts from the individual income tax wages of
20 individuals received for providing services to persons with
21 physical or mental impairments. The bill defines "services"
22 to mean services performed at an intermediate care facility
23 for persons with an intellectual disability as defined in Code
24 section 135C.1, or an intermediate care facility for persons
25 with mental illness as defined in Code section 135C.1. Under
26 the bill, "services" also includes services performed under a
27 federal home and community-based services waiver.

28 The bill takes effect January 1, 2020, and applies to tax
29 years beginning on or after that date.