

House File 367 - Introduced

HOUSE FILE 367

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 94)

A BILL FOR

1 An Act exempting from the state individual income tax the
2 earnings from a burial trust fund, and including retroactive
3 applicability provisions.

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

1 Section 1. Section 422.7, Code 2021, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 48. Subtract, to the extent included,
4 income from interest and earnings received from a burial trust
5 fund as defined in section 523A.102.

6 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
7 retroactively to January 1, 2021, for tax years beginning on
8 or after that date.

9 EXPLANATION

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

12 This bill exempts from the state individual income tax
13 the interest and earnings received from a burial trust fund.
14 Burial trust funds, which are governed by Code chapter 523A,
15 are irrevocable trusts established by a person with a financial
16 institution for the purpose of funding the future purchase of
17 cemetery merchandise, funeral merchandise, funeral services, or
18 a combination thereof upon the death of the person named in the
19 burial trust fund's records or a related purchase agreement.

20 The bill applies retroactively to January 1, 2021, for tax
21 years beginning on or after that date.