

**House File 463 - Introduced**

HOUSE FILE 463

BY WHEELER

**A BILL FOR**

1 An Act creating a private investigator tax credit available  
2 against the individual income tax, and including effective  
3 date and retroactive applicability provisions.

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

1 Section 1. NEW SECTION. 422.120 Private investigator tax  
2 credit.

3 1. As used in this section:

4 a. "Cold case" means an investigative case involving a  
5 missing family member after the initial investigation into the  
6 disappearance of the missing family member by a law enforcement  
7 agency has been completed and the family member is still  
8 missing, or the family member was reported missing to a law  
9 enforcement agency and the family member is still missing after  
10 ninety days, whichever is earlier.

11 b. "Family member" means a spouse, son, daughter,  
12 brother, sister, uncle, aunt, first cousin, nephew, niece,  
13 father-in-law, mother-in-law, son-in-law, daughter-in-law,  
14 brother-in-law, sister-in-law, father, mother, stepfather,  
15 stepmother, stepson, stepdaughter, stepbrother, stepsister,  
16 half brother, or half sister.

17 c. "Private investigator" means a licensee under chapter 80A  
18 other than a bail enforcement business. "Private investigator"  
19 includes an employee of a licensee under chapter 80A other than  
20 an employee of a bail enforcement business, who has the same  
21 qualifications of the licensee as required by section 80A.4,  
22 subsection 3.

23 2. The taxes imposed under this subchapter, less the credits  
24 imposed under section 422.12, shall be reduced by a private  
25 investigator tax credit equal to twenty-five percent of the  
26 first one thousand dollars paid by the taxpayer to a private  
27 investigator to investigate a cold case which has been reported  
28 to a law enforcement agency within the previous twelve months.

29 3. A credit in excess of the tax liability is not refundable  
30 but the excess of the tax liability for the tax year may be  
31 credited to the tax liability for the following five years or  
32 until depleted, whichever occurs first.

33 4. A taxpayer is eligible to claim the credit one time per  
34 cold case up to the maximum credit value allowed pursuant to  
35 this section.

1 5. Married taxpayers electing to file separate returns or  
2 filing separately on a combined return may avail themselves of  
3 the private investigator tax credit by allocating the private  
4 investigator tax credit to each spouse in proportion that each  
5 spouse's respective earned income bears to the total combined  
6 earned income.

7 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate  
8 importance, takes effect upon enactment.

9 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies  
10 retroactively to January 1, 2021, for tax years beginning on  
11 or after that date.

12 EXPLANATION

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

15 This bill creates a private investigator tax credit  
16 available against the individual income tax.

17 The bill defines "private investigator" to mean a licensee  
18 or an employee of a licensee under Code chapter 80A other than  
19 a bail enforcement business.

20 The amount of the credit shall equal 25 percent of the first  
21 \$1,000 of the investigation fees paid by the taxpayer to a  
22 private investigator to investigate a cold case which has been  
23 reported to a law enforcement agency within the previous 12  
24 months. A taxpayer is eligible to claim the credit one time  
25 per cold case up to the maximum credit allowed under the bill.

26 The bill defines "cold case" to mean an investigative  
27 case involving a missing family member after the initial  
28 investigation into the disappearance of the missing family  
29 member by a law enforcement agency has been completed, or the  
30 family member was reported missing to a law enforcement agency  
31 and the family member is still missing after 90 days, whichever  
32 is earlier.

33 The bill takes effect upon enactment and applies  
34 retroactively to January 1, 2021, for tax years beginning on  
35 or after that date.