

Senate File 2108 - Introduced

SENATE FILE 2108

BY CARLIN

A BILL FOR

1 An Act providing a nursing home visitation shelter tax credit
2 available against the individual and corporate income taxes,
3 and including effective date and applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 231.67 Nursing home visitation
2 shelter tax credit.

3 1. As used in this section:

4 a. "*Meeting area*" means an area with proper ventilation
5 that may be easily sanitized while also allowing for ease of
6 communication with social distancing.

7 b. "*Nursing home*" means the same as defined in section
8 155.1.

9 c. "*Nursing home visitation shelter*" means a newly
10 constructed or renovated meeting area located within a nursing
11 home or on the grounds of the nursing home designed for nursing
12 home residents to meet with friends and family members in a
13 low-risk setting to reduce the spread of disease.

14 2. a. The taxes imposed against the income tax imposed
15 under chapter 422, subchapter II or III, shall be reduced by
16 a nursing home visitation shelter tax credit equal to fifty
17 percent of the cost of constructing a nursing home visitation
18 shelter, provided that the amount of the credit shall not
19 exceed one hundred thousand dollars per application.

20 b. An individual may claim a tax credit under this section
21 of a partnership, limited liability company, S corporation,
22 estate, or trust electing to have income taxed directly to
23 the individual. The amount claimed by the individual shall
24 be based upon the pro rata share of the individual's earnings
25 from the partnership, limited liability company, S corporation,
26 estate, or trust.

27 3. The department, in consultation with the department of
28 revenue, shall develop a system for the application, review,
29 and authorization of nursing home visitation shelter tax
30 credits awarded pursuant to this section and shall control the
31 issuance of all tax credit certificates to taxpayers pursuant
32 to this section.

33 4. Applications shall be accepted by the department during
34 the application period established by the department.

35 5. Upon review of an application, the department may approve

1 the tax credit, and issue a tax credit certificate stating the
2 amount of the tax credit the department determines the taxpayer
3 is eligible to claim for each year of the credit.

4 6. In any calendar year, the aggregate amount of all tax
5 credits allocated by the department shall not exceed five
6 million dollars.

7 7. Any credit in excess of tax liability is not refundable
8 but the excess for the tax year may be credited to the tax
9 liability for the following five years or until depleted,
10 whichever is earlier.

11 8. *a.* To claim a tax credit under this section, a taxpayer
12 shall include one or more tax credit certificates issued by the
13 department with the taxpayer's return.

14 *b.* The tax credit certificate shall contain the taxpayer's
15 name, address, tax identification number, the amount of the
16 credit, and any other information required by the department
17 of revenue.

18 *c.* The tax credit certificate is not transferable.

19 Sec. 2. NEW SECTION. 422.10C Nursing home visitation
20 shelter tax credit.

21 The taxes imposed under this subchapter, less the credits
22 allowed under section 422.12, shall be reduced by a nursing
23 home visitation shelter tax credit allowed under section
24 231.67.

25 Sec. 3. Section 422.33, Code 2022, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 17. The taxes imposed under this subchapter
28 shall be reduced by a nursing home visitation shelter tax
29 credit allowed under section 231.67.

30 Sec. 4. EFFECTIVE DATE. This Act, being deemed of immediate
31 importance, takes effect upon enactment.

32 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies
33 retroactively to January 1, 2022, for tax years beginning on
34 or after that date.

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EXPLANATION

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

3 This bill creates a nursing home visitation shelter tax
4 credit available against the individual and corporate income
5 taxes.

6 The amount of the credit equals 50 percent of the cost of
7 constructing a nursing home visitation shelter, not to exceed
8 \$100,000 per application.

9 The bill defines "nursing home visitation shelter" to mean a
10 newly constructed or renovated meeting area located within a
11 nursing home or on the grounds of the nursing home designed for
12 nursing home residents to meet with friends and family members
13 in a low-risk setting to reduce the spread of disease.

14 The bill defines "meeting area" to mean an area with proper
15 ventilation that may be easily sanitized while also allowing
16 for ease of communication with social distancing.

17 The bill requires the department of aging (department),
18 in consultation with the department of revenue, to develop
19 a system for the application, review, and authorization of
20 nursing home visitation shelter tax credits and to control the
21 issuance of tax credit certificates to taxpayers. To claim
22 a tax credit under the bill, a taxpayer must include one or
23 more tax credit certificates issued by the department with the
24 taxpayer's return.

25 The aggregate amount of the credit available in a calendar
26 year shall not exceed \$5 million.

27 The tax credit is not refundable but any credit in excess
28 of tax liability may be credited to the tax liability for the
29 following five years or until depleted, whichever is earlier.

30 The bill takes effect upon enactment and applies
31 retroactively to tax years beginning on or after January 1,
32 2022.