

Senate File 49 - Introduced

SENATE FILE 49
BY WHITING

A BILL FOR

1 An Act relating to the tuition and textbook tax credit
2 available against the individual income tax, and including
3 retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.12, subsection 1, Code 2021, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *0c.* "Private instruction" means independent
4 private instruction as defined in section 299A.1, subsection
5 2, paragraph "b", competent private instruction under section
6 299A.2, or private instruction by a nonlicensed person under
7 section 299A.3.

8 Sec. 2. Section 422.12, subsection 2, paragraph b, Code
9 2021, is amended to read as follows:

10 *b.* A tuition credit equal to twenty-five percent of the
11 first one thousand dollars which the taxpayer has paid to
12 others for each dependent in grades kindergarten through
13 twelve, for tuition and textbooks of each dependent ~~in~~
14 receiving private instruction or attending an elementary or
15 secondary school situated in Iowa, which school is accredited
16 or approved under section 256.11, which is not operated for
17 profit, and which adheres to the provisions of the federal
18 Civil Rights Act of 1964 and chapter 216. Notwithstanding
19 any other provision, all other credits allowed under this
20 subsection shall be deducted before the tuition credit under
21 this paragraph. The department, when conducting an audit of
22 a taxpayer's return, shall also audit the tuition tax credit
23 portion of the tax return.

24 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
25 retroactively to January 1, 2021, for tax years beginning on
26 or after that date.

27 EXPLANATION

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

30 This bill relates to the tuition and textbook tax credit
31 available against the individual income tax.

32 Currently, a taxpayer receives the tuition and textbook
33 tax credit for each dependent of the taxpayer attending an
34 accredited private elementary or secondary school equal to
35 25 percent of the first \$1,000 which the taxpayer has paid

1 to others for the tuition and textbooks of each dependent in
2 attendance at such a school.

3 The bill allows a taxpayer to receive the tuition and
4 textbook tax credit for each dependent of the taxpayer
5 receiving private instruction equal to 25 percent of the first
6 \$1,000 which the taxpayer has paid to others for the tuition
7 and textbooks of each dependent receiving such instruction.

8 The bill defines "private instruction" to mean a student
9 receiving independent private instruction as defined in Code
10 section 299A.1(2)(b), competent private instruction under Code
11 section 299A.2, or private instruction by a nonlicensed person
12 under Code section 299A.3.

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