

Senate Study Bill 1248 - Introduced

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

A BILL FOR

1 An Act exempting from the individual income tax all pay
2 received from the federal government for certain military
3 service in support of the national guard and including
4 retroactive applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, subsection 42A, Code 2021, is
2 amended to read as follows:

3 42A. Subtract, to the extent included, all pay received by
4 the taxpayer from the federal government for military service
5 performed while on active duty status in the armed forces, the
6 armed forces military reserve, or the national guard, including
7 pay for service performed pursuant to 32 U.S.C. §502(f) and 32
8 U.S.C. §709(a) and (b).

9 Sec. 2. 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 exempts from the individual income tax all pay
16 received by a taxpayer from the federal government for military
17 service performed in support of the national guard pursuant to
18 32 U.S.C. §502(f) and 32 U.S.C. §709(a) and (b). This exempts
19 certain income received by active duty and reserve personnel,
20 certain operational support personnel, and certain dual-status
21 federal technicians.

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