

House File 2667 - Introduced

HOUSE FILE 2667

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2537)

(SUCCESSOR TO HSB 626)

A BILL FOR

1 An Act relating to the treasurer of state's duties, including
2 Iowa educational savings plan trust and Iowa ABLE savings
3 plan trust requirements and disposition of unclaimed
4 property, and including retroactive applicability
5 provisions.

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

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DIVISION I

IOWA EDUCATIONAL SAVINGS PLAN TRUST

Section 1. Section 12D.3, subsection 1, Code 2024, is amended to read as follows:

1. Each participation agreement may require a participant to agree to invest a specific amount of money in the trust for a specific period of time for the benefit of a specific beneficiary. A participant shall not be required to make an annual contribution on behalf of a beneficiary. The maximum contribution that may be deducted for Iowa income tax purposes shall not exceed ~~two~~ five thousand five hundred dollars per beneficiary per year adjusted annually to reflect increases in the ~~consumer~~ higher education price index, rounded up to the nearest fifty or hundred dollars. The treasurer of state shall set an account balance limit to maintain compliance with section 529 of the Internal Revenue Code. A contribution shall not be permitted to the extent it causes the aggregate balance of all accounts established for the same beneficiary under the trust to exceed the applicable account balance limit.

Sec. 2. Section 422.7, subsection 22, paragraph c, subparagraph (1), Code 2024, is amended by adding the following new subparagraph division:

NEW SUBPARAGRAPH DIVISION. (g) A direct trustee-to-trustee transfer to a Roth individual retirement account in accordance with the rules under section 529(c)(3)(E) of the Internal Revenue Code.

Sec. 3. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2024, for tax years beginning on or after that date.

DIVISION II

DISPOSITION OF UNCLAIMED PROPERTY

Sec. 4. Section 556.12, subsection 1, Code 2024, is amended to read as follows:

1. If a report has been filed with the treasurer of state, or property has been paid or delivered to the treasurer of

1 state, for the fiscal year ending on June 30 or, in the case of
2 unclaimed demutualization proceeds, for the preceding calendar
3 year as required by [section 556.11](#), the treasurer of state
4 ~~shall provide~~ may do any of the following:

5 a. Provide for the publication annually of at least
6 one notice not later than the following November 30. Each
7 notice ~~shall~~ may be published at least once each week for two
8 successive weeks in an English language newspaper of general
9 circulation in the county in this state in which is located the
10 last known address of any person to be named in the notice.
11 If an address is not listed or if the address is outside this
12 state, the notice ~~shall~~ may be published in the county in which
13 the holder of the abandoned property has its principal place
14 of business within this state.

15 b. Publish information to make the public aware of
16 the existence of unclaimed property and the treasurer of
17 state's unclaimed property program in a newspaper in general
18 circulation in the state.

19 Sec. 5. Section 556.19, Code 2024, is amended to read as
20 follows:

21 **556.19 Claim Procedure for abandoned property paid or**
22 **delivered.**

23 1. Any person claiming an interest in any property delivered
24 to the state under [this chapter](#) may file a claim thereto or to
25 the proceeds from the sale thereof on the form prescribed by
26 the state treasurer.

27 2. Notwithstanding subsection 1, the treasurer of state
28 may waive the requirement of a claim form and pay or deliver
29 property directly to a person if the person receiving the
30 property or payment is shown to be the apparent owner included
31 on a report filed under section 556.11 and the treasurer of
32 state reasonably believes the person is entitled to receive
33 the property or payment. The treasurer of state may use state
34 tax information to assist in identifying the owner of property
35 that has been abandoned as provided under this chapter or in

1 verifying a claim filed under this chapter.

2 EXPLANATION

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

5 This bill relates the treasurer of state's duties,
6 including Iowa educational savings plan trust requirements and
7 disposition of unclaimed property.

8 DIVISION I — IOWA EDUCATIONAL SAVINGS PLAN TRUST. The
9 bill increases the maximum contribution to a beneficiary's
10 529 account that may be deducted for income tax purposes to
11 \$5,500 per year. The maximum deduction for tax year 2023 is
12 \$3,785. Additionally, under current law the maximum deduction
13 is adjusted annually to reflect increases in the consumer price
14 index. Under the bill, such adjustments will instead reflect
15 increases in the higher education price index rounded up to
16 the nearest \$50 or \$100. By operation of law, the bill also
17 increases the maximum deduction amount available in an Iowa
18 ABLE savings plan trust to the same amount for the current and
19 future years.

20 The bill also provides that a transfer made in a direct
21 trustee-to-trustee transfer from a 529 account to a Roth
22 individual retirement account in accordance with the rules
23 under the federal Internal Revenue Code section 529(c)(3)(E)
24 are exempt from state individual income taxation.

25 The division of the bill applies retroactively to January 1,
26 2024, for the tax year beginning on or after that date.

27 DIVISION II — DISPOSITION OF UNCLAIMED PROPERTY. The bill
28 removes the requirement for publication of public notice by the
29 treasurer for abandoned property, instead making it optional
30 and at the discretion of the treasurer.

31 The bill provides that the treasurer may pay or deliver
32 property directly to a person if the person receiving the
33 property or payment is shown to be the apparent owner included
34 on a report for abandoned property and the treasurer reasonably
35 believes the person is entitled to receive the property or

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1 payment. The treasurer may use state tax information to assist
2 in identifying the owner of property.