

House File 2709 - Introduced

HOUSE FILE 2709

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 264)

A BILL FOR

1 An Act exempting from the individual income tax a certain
2 amount of wages of caretakers who provide services to
3 disabled individuals and including effective date and
4 applicability provisions.

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

1 Section 1. Section 422.7, Code 2024, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 44. *a.* As used in this subsection:

4 (1) "*Caretaker*" means the same as defined in section 235B.2.

5 (2) "*Wages*" means wages, tips, and other compensation
6 reported on an internal revenue service form W-2 wage and tax
7 statement.

8 *b.* Subtract the amount of wages, not to exceed ten thousand
9 dollars, received by a caretaker for services provided to
10 individuals domiciled in this state who have a physical or
11 mental impairment that substantially limits one or more major
12 life activities.

13 Sec. 2. EFFECTIVE DATE. This Act takes effect January 1,
14 2025.

15 Sec. 3. APPLICABILITY. This Act applies to tax years
16 beginning on or after January 1, 2025.

17 EXPLANATION

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

20 This bill exempts from the individual income tax wages, not
21 to exceed \$10,000, received by an individual who is a caretaker
22 as defined in Code section 235B.2 for services provided to
23 individuals domiciled in this state who have a physical or
24 mental impairment that substantially limits one or more major
25 life activities.

26 The bill takes effect January 1, 2025, and applies to tax
27 years beginning on or after that date.