

House Study Bill 232 - Introduced

HOUSE JOINT RESOLUTION _____
BY (PROPOSED COMMITTEE ON WAYS
AND MEANS RESOLUTION BY
CHAIRPERSON KAUFMANN)

HOUSE JOINT RESOLUTION

1 A Joint Resolution proposing amendments to the Constitution of
2 the State of Iowa relating to requirements for certain state
3 tax law changes and creating a taxpayer relief fund.
4 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. The following amendment to the Constitution of
2 the State of Iowa is proposed:

3 The Constitution of the State of Iowa is amended by adding
4 the following new section to new Article XIII:

5 ARTICLE XIII.
6 TAXATION LIMITATIONS.

7 Section 1. **Two-thirds majority vote for state tax law**
8 **changes.** Passage of a bill that increases the individual
9 income tax rate or the corporate income tax rate, or the rate
10 of any other type of tax based upon income, shall require the
11 affirmative votes of at least two-thirds of the members elected
12 to each house of the general assembly. This requirement does
13 not apply to taxes imposed at the option of a local government.

14 Passage of a bill that establishes a new tax on any type of
15 income imposed by the state shall require the affirmative votes
16 of at least two-thirds of the members elected to each house of
17 the general assembly.

18 A lawsuit challenging the proper enactment of a bill under
19 this section must be filed no later than one year following the
20 enactment. If such a lawsuit is not filed within the one-year
21 limit, the bill shall be considered properly enacted under this
22 section.

23 Each bill to which this section applies must include a
24 separate provision describing the requirements for enactment
25 prescribed by this section.

26 The general assembly shall enact laws to implement this
27 section.

28 Sec. 2. The following amendment to the Constitution of the
29 State of Iowa is proposed:

30 The Constitution of the State of Iowa is amended by adding
31 the following new section to new Article XIII:

32 ARTICLE XIII.
33 TAXATION LIMITATIONS.

34 Sec. 2. **Taxpayer relief fund.** A taxpayer relief fund is
35 created within the treasury for the purposes of reductions to

1 income tax rates, sales and use tax rates, or property taxes,
2 as determined by the general assembly. Moneys in the fund
3 shall be exclusively appropriated or transferred by law for
4 these purposes. The general assembly shall determine the type
5 of, amount of, and manner in which state moneys are credited
6 to, deposited in, or transferred to the fund. The general
7 assembly shall provide by law for the implementation of this
8 section, including by providing for the administration of the
9 fund.

10 Sec. 3. REFERRAL AND PUBLICATION. The foregoing proposed
11 amendments to the Constitution of the State of Iowa are
12 referred to the general assembly to be chosen at the next
13 general election for members of the general assembly, and shall
14 be published as provided by law for three months previous to
15 the date of that election.

16 EXPLANATION

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

19 This joint resolution proposes amendments to the
20 Constitution of the State of Iowa by restricting certain state
21 tax law changes and creating a taxpayer relief fund.

22 RESTRICTIONS ON CERTAIN STATE TAX LAW CHANGES. The
23 amendment requires a bill that increases the individual income
24 tax rate or corporate income tax rate, or the rate of any
25 other type of tax based upon income, to be adopted by at least
26 two-thirds of the members elected to each house of the general
27 assembly. In addition, the amendment requires a bill that
28 establishes a new tax on any type of income imposed by the
29 state to be adopted by at least two-thirds of the members
30 elected to each house of the general assembly. A lawsuit
31 challenging enactment of a bill subject to the two-thirds
32 majority passage requirement must be filed no later than
33 one year following the enactment of the bill. Finally, the
34 amendment requires the general assembly to enact laws to
35 implement the amendment.

1 TAXPAYER RELIEF FUND. Under current law (Code section
2 8.57E), a taxpayer relief fund is created for purposes of
3 appropriations or transfers made by the general assembly for
4 tax relief or reductions in income tax rates. The amendment
5 sets forth a similar provision in the Constitution of the State
6 of Iowa by creating a taxpayer relief fund for the purposes
7 of reductions to income tax rates, sales and use tax rates,
8 or property taxes. The amendment requires the moneys in
9 the taxpayer relief fund to be exclusively appropriated or
10 transferred by law for the purposes of reductions to income tax
11 rates, sales and use tax rates, or property taxes.

12 REFERRAL. The resolution, if adopted, would be published
13 and then referred to the next general assembly (91st) for
14 adoption, before being submitted to the electorate for
15 ratification.