

**Senate File 459 - Introduced**

SENATE FILE 459

BY JOCHUM, KNOX, GIDDENS,  
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**A BILL FOR**

1 An Act increasing the earned income tax credit available  
2 against the Iowa 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 422.12B, subsection 1, paragraph a,  
2 subparagraph (2), Code 2023, is amended to read as follows:

3 (2) For tax years beginning on or after January 1, 2014, but  
4 before January 1, 2023, fifteen percent.

5 Sec. 2. Section 422.12B, subsection 1, paragraph a, Code  
6 2023, is amended by adding the following new subparagraph:

7 NEW SUBPARAGRAPH. (3) For tax years beginning on or after  
8 January 1, 2023, thirty percent.

9 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies  
10 retroactively to January 1, 2023, 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 increases the earned tax credit available against  
16 the Iowa individual income tax.

17 Under current law, a taxpayer is allowed to claim an Iowa  
18 earned income tax credit equal to 15 percent of the federal  
19 earned income tax credit under section 32 of the Internal  
20 Revenue Code. Additionally, the Iowa earned income tax credit  
21 is a refundable credit.

22 The bill raises the Iowa earned income tax credit from the  
23 current 15 percent of the federal earned income tax credit to  
24 30 percent of the federal earned income tax credit.

25 The bill applies retroactively to tax years beginning on or  
26 after January 1, 2023.