

**Senate Study Bill 1127 - Introduced**

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

**A BILL FOR**

1 An Act relating to decoupling federal additional first-year  
2 depreciation for Iowa tax purposes, and including effective  
3 date and retroactive applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code 2023, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 44. For qualified property placed in  
4 service after December 31, 2022, a taxpayer may elect to  
5 subtract the additional first-year depreciation allowance  
6 authorized under section 168 of the Internal Revenue Code, in  
7 the taxable year in which the property is placed in service,  
8 subject to the following adjustments:

9 a. Add the total amount of depreciation taken on all  
10 property for which the election under section 168(k) of the  
11 Internal Revenue Code was made for the tax year.

12 b. Subtract an amount equal to the depreciation allowed on  
13 such property under section 168(k) of the Internal Revenue Code  
14 of 1986 as amended and in effect on December 31, 2022.

15 c. Any other adjustments to gains or losses to reflect the  
16 adjustments made in paragraph "a" or "b" pursuant to rules  
17 adopted by the director.

18 Sec. 2. Section 422.35, Code 2023, is amended by adding the  
19 following new subsection:

20 NEW SUBSECTION. 15. For qualified property placed in  
21 service after December 31, 2022, a taxpayer may elect to  
22 subtract the additional first-year depreciation allowance  
23 authorized under section 168 of the Internal Revenue Code, in  
24 the taxable year in which the property is placed in service,  
25 subject to the following adjustments:

26 a. Add the total amount of depreciation taken on all  
27 property for which the election under section 168(k) of the  
28 Internal Revenue Code was made for the tax year.

29 b. Subtract an amount equal to the depreciation allowed on  
30 such property under section 168(k) of the Internal Revenue Code  
31 of 1986 as amended and in effect on December 31, 2022.

32 c. Any other adjustments to gains or losses to reflect the  
33 adjustments made in paragraph "a" or "b" pursuant to rules  
34 adopted by the director.

35 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate

