

House File 110 - Introduced

HOUSE FILE 110
BY SEXTON

A BILL FOR

- 1 An Act excluding overtime pay from the individual income tax, and
- 2 including applicability provisions.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 422.7, Code 2025, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 45. Subtract, to the extent included, the
4 portion of compensation that is authorized pursuant to 29 U.S.C.
5 §207 to be earned at not less than one and one-half times the
6 regular rate at which the person is employed.

7 Sec. 2. APPLICABILITY. This Act applies to tax years
8 beginning on or after January 1, 2026.

9 EXPLANATION

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

12 This bill excludes overtime pay from the individual income
13 tax. The bill excludes from the individual income tax the
14 portion of compensation that is authorized pursuant to 29 U.S.C.
15 §207 to be earned at not less than one and one-half times the
16 regular rate at which the person is employed.

17 The bill applies to tax years beginning on or after January 1,
18 2026.