

House File 417 - Introduced

HOUSE FILE 417
BY GUSTOFF

A BILL FOR

- 1 An Act modifying the tuition and textbook tax credit available
- 2 against the individual income tax, and including retroactive
- 3 applicability provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 422.12, subsection 2, paragraph b, Code
2 2025, is amended to read as follows:

3 b. A tuition credit equal to ~~twenty-five~~ fifty percent of the
4 first two thousand dollars which the taxpayer has paid to others
5 for each dependent in grades kindergarten through twelve, for
6 tuition and textbooks of each dependent who is receiving private
7 instruction or who is attending an elementary or secondary school
8 situated in Iowa, which school is accredited or approved under
9 section 256.11, which is not operated for profit, and which
10 adheres to the provisions of the federal Civil Rights Act of 1964
11 and chapter 216. Notwithstanding any other provision, all other
12 credits allowed under this subsection shall be deducted before
13 the tuition credit under this paragraph. The department, when
14 conducting an audit of a taxpayer's return, shall also audit the
15 tuition tax credit portion of the tax return.

16 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
17 retroactively to January 1, 2025, for tax years beginning on or
18 after that date.

19 EXPLANATION

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

22 Current law establishes a tuition credit equal to 25 percent
23 of the first \$2,000 which the taxpayer has paid to others for
24 each dependent in grades kindergarten through 12, for tuition and
25 textbooks of each dependent who is receiving private instruction
26 or who is attending an elementary or secondary school situated in
27 Iowa, which school is accredited or approved under Code section
28 256.11, which is not operated for profit, and which adheres to
29 the provisions of the federal Civil Rights Act of 1964 and Code
30 chapter 216 (Iowa civil rights Act of 1965). This bill increases
31 the amount of this tax credit to 50 percent of the first \$2,000.
32 The bill applies retroactively to January 1, 2025, for tax years
33 beginning on or after that date.