

**Senate File 2491 - Introduced**

SENATE FILE 2491

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2460)

**A BILL FOR**

1 An Act providing for the rural veterinarian loan repayment  
2 program, including by allowing a loan repayment recipient to  
3 exclude net income attributable to loan payments received  
4 under the program.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 256.226, subsection 4, paragraph c, Code  
2 2026, is amended to read as follows:

3 c. (1) ~~Secure~~ Subject to subparagraph (2), secure an  
4 offer of employment or establish and maintain a practice in a  
5 veterinary shortage situation or rural service commitment area  
6 and engage in the full-time practice of veterinary medicine  
7 for a period of four consecutive years after entering into the  
8 agreement in the veterinary shortage area or rural service  
9 commitment area, ~~unless the loan repayment recipient receives.~~

10 (2) (a) The loan repayment recipient may notify the  
11 commission that the loan repayment recipient will complete the  
12 years of full-time practice required under the agreement by  
13 securing new employment, or establishing and maintaining a new  
14 practice, in the same veterinary shortage area or rural service  
15 commitment area, according to rules adopted by the commission.

16 (b) The commission may grant the loan repayment recipient a  
17 waiver from the commission to complete the years of full-time  
18 practice required under the agreement in another veterinary  
19 shortage area or rural service commitment area pursuant to  
20 subsection 7.

21 Sec. 2. Section 422.7, Code 2026, is amended by adding the  
22 following new subsection:

23 NEW SUBSECTION. 46. a. Subtract, to the extent included,  
24 loan repayments received under a program agreement entered into  
25 between a taxpayer who is a loan repayment recipient and the  
26 college student aid commission pursuant to section 256.226, if  
27 the taxpayer fulfills the obligation to engage in the practice  
28 of veterinary medicine according to terms of that section  
29 including the program agreement.

30 b. The subtraction in paragraph "a" shall not exceed the  
31 following limits:

32 (1) For any tax year, fifteen thousand dollars.

33 (2) For the aggregate of all tax years, sixty thousand  
34 dollars.

35 (3) In any case, the amount of the outstanding eligible

1 loan.

2

EXPLANATION

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

4

5 BACKGROUND. Code section 256.226 establishes a rural  
6 veterinarian loan repayment program (program) administered by  
7 the college student aid commission (commission). The purpose  
8 of the program is to provide for the repayment of a student  
9 loan (eligible loan) to an individual who is either enrolled  
10 in the final year of a college of veterinary medicine in order  
11 to receive a doctor of veterinary medicine degree or who is a  
12 licensed veterinarian who received a degree within five years  
13 of applying to participate in the program. The individual must  
14 enter into a program agreement (agreement) with the commission  
15 in which the commission assumes the payment of the eligible  
16 loan and the loan repayment recipient (recipient) agrees to  
17 engage in the practice of veterinary medicine (practice) for  
18 four years in a rural service commitment area or a veterinary  
19 shortage area (rural area). The commission assumes eligible  
20 loan payments each year of the recipient's eligible practice  
21 for a period of four consecutive years. An eligible loan  
22 payment amount cannot exceed \$15,000 annually and cannot exceed  
23 a total of either \$60,000 or the amount of the outstanding  
24 eligible loan.

25 BILL'S PROVISIONS. Currently, the commission may grant a  
26 recipient a waiver to complete the years of practice required  
27 under the agreement in another rural area. This bill provides  
28 that the recipient may notify the commission that the loan  
29 recipient will complete the years of practice required under  
30 the agreement by securing new employment, or establishing and  
31 maintaining a new practice, in the same rural area, according  
32 to rules adopted by the commission. The bill allows the  
33 recipient to exclude net income attributable to eligible  
34 loan payments received under the program, subject to the  
35 restrictions provided in the program. The amount subject to

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1 the income exclusion cannot exceed \$15,000 per tax year, and  
2 an aggregate of \$60,000 for all tax years. However, in any  
3 case, the total excluded amount cannot exceed the amount of the  
4 recipient's outstanding eligible loan.