

Senate File 414 - Reprinted

SENATE FILE _____
BY COMMITTEE ON WAYS AND MEANS
(SUCCESSOR TO SF 400)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for income tax credits for the cost of
2 purchasing life insurance coverage by certain members of the
3 national guard and the reserves, providing for death benefits
4 for certain deceased members of the national guard and the
5 reserves, providing for the payment of certain death benefits
6 for members of the peace officers' retirement, accident, and
7 disability system and for members of the retirement system for
8 police officers and fire fighters, making appropriations, and
9 providing for effective and retroactive applicability dates.
10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
11 SF 414
12 av/cc/26

PAG LIN

1 1 Section 1. NEW SECTION. 29A.27A MILITARY SERVICE LIFE
1 2 INSURANCE TAX CREDITS AND DEATH BENEFITS == APPROPRIATION.
1 3 1. A member of the national guard or reserve forces of the
1 4 United States on active duty in the military service of this
1 5 state or of the United States, who purchases a life insurance
1 6 policy that is obtained through the federal servicemembers'
1 7 group life insurance program pursuant to 38 U.S.C. } 1965 et
1 8 seq., as amended, during the member's period of active duty,
1 9 may claim a tax credit that equals one hundred percent of the
1 10 cost to the member of purchasing such life insurance coverage
1 11 during the member's period of active duty.
1 12 2. Each member of the national guard or reserve forces of
1 13 the United States who died on or after January 1, 2003, and
1 14 prior to the effective date of this Act, while on active duty
1 15 in the military service of this state or of the United States
1 16 pursuant to military orders related to Operation Iraqi
1 17 Freedom, Operation Noble Eagle, or Operation Enduring Freedom
1 18 shall have a death benefit paid on behalf of that member by
1 19 the state. This death benefit shall be paid in an amount up
1 20 to and including two hundred fifty thousand dollars or so much
1 21 thereof as is necessary to make the total death benefit
1 22 payable on behalf of that member, including any amount
1 23 received on behalf of that member under a life insurance
1 24 policy obtained through the federal servicemembers' group life
1 25 insurance program pursuant to 38 U.S.C. } 1965 et seq., as
1 26 amended, equal to the amount of two hundred fifty thousand
1 27 dollars.
1 28 3. The adjutant general shall adopt rules necessary to
1 29 determine eligibility for and to administer the death benefit
1 30 program.
1 31 4. The department of revenue shall adopt rules necessary
1 32 to determine eligibility for and to administer the military
1 33 service life insurance tax credit program.
1 34 5. This section is not intended to alter, amend, or change
1 35 the eligibility or applicability requirements of the federal
2 1 servicemembers' group life insurance program pursuant to 38
2 2 U.S.C. } 1965 et seq., as amended, or any rights,
2 3 responsibilities, or benefits thereunder.
2 4 6. The cost of death benefits payable pursuant to this
2 5 section shall be paid out of moneys in the state treasury not
2 6 otherwise appropriated.
2 6 Sec. 2. Section 97A.6, subsection 16, Code
2 6 2005, is amended by adding the following new
2 6 paragraph:
2 6 NEW PARAGRAPH. c. There is appropriated annually
2 6 from the general fund of the state to the board of

2 6 trustees an amount sufficient to pay death benefit
2 6 claims under this subsection.
2 6 Sec. 3. Section 411.6, subsection 15, Code 2005,
2 6 is amended by adding the following new paragraph:
2 6 NEW PARAGRAPH. c. There is appropriated annually
2 6 from the general fund of the state to the system an
2 6 amount sufficient to pay death benefit claims under
2 6 this subsection.
2 7 Sec. 4. NEW SECTION. 422.11K MILITARY SERVICE LIFE
2 8 INSURANCE TAX CREDIT.
2 9 The taxes imposed under this division, less the credits
2 10 allowed under sections 422.12 and 422.12B, shall be reduced by
2 11 a military service life insurance tax credit as allowed under
2 12 section 29A.27A.
2 13 Any credit in excess of the tax liability shall be
2 14 refunded. In lieu of claiming a refund, a taxpayer may elect
2 15 to have the overpayment shown on the taxpayer's final,
2 16 completed return credited to the tax liability for the
2 17 following taxable year.
2 18 Sec. 5. EFFECTIVE DATES AND RETROACTIVE APPLICABILITY
2 19 DATES. This Act, being deemed of immediate importance, takes
2 20 effect upon enactment and applies retroactively to January 1,
2 21 2005, for tax years beginning on or after that date.
3 26 SF 414
3 27 av:rj/cc/26