

**House File 194 - Reprinted**

HOUSE FILE 194

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 4)

(As Amended and Passed by the House February 16, 2011)

**A BILL FOR**

1 An Act providing for a reduction in the individual income  
2 tax rates and including effective date and applicability  
3 provisions.

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

1 Section 1. Section 298.14, Code 2011, is amended to read as  
2 follows:

3 **298.14 School district income surtaxes.**

4 1. a. For each fiscal year, the cumulative total of the  
5 percents of surtax approved by the board of directors of a  
6 school district and collected by the department of revenue  
7 under sections 257.21, 257.29, and 298.2, and the enrichment  
8 surtax under section 442.15, Code 1989, and an income surtax  
9 collected by a political subdivision under chapter 422D, shall  
10 not exceed twenty percent.

11 b. (1) Notwithstanding paragraph "a", a board of directors  
12 of a school district shall impose, and the department of  
13 revenue shall collect, an enhanced cumulative income surtax  
14 amount pursuant to this paragraph "b".

15 (2) The enhanced cumulative income surtax shall be in the  
16 following amounts for the following years:

17 (a) For 2012, for each surtax specified in paragraph "a"  
18 that is imposed in 2011 and is still imposed in 2012, the  
19 amount shall be one hundred twenty-five percent of the amount  
20 generated by each surtax imposed by the school district in  
21 2011.

22 (b) For 2013, for each surtax specified in paragraph "a"  
23 that is imposed in 2011 and is still imposed in 2013, the  
24 amount shall be one hundred fifteen percent of the amount  
25 generated by each surtax imposed by the school district in  
26 2011.

27 (c) For 2014, for each surtax specified in paragraph "a"  
28 that is imposed in 2011 and is still imposed in 2014, the  
29 amount shall be one hundred ten percent of the amount generated  
30 by each surtax imposed by the school district in 2011.

31 (d) For 2015, for each surtax specified in paragraph  
32 "a" that is imposed in 2011 and is still imposed in 2015,  
33 the amount shall be one hundred five percent of the amount  
34 generated by each surtax imposed by the school district in  
35 2011.

1     (e) For 2016, for each surtax specified in paragraph "a"  
2 that is imposed in 2011 and is still imposed in 2016, the  
3 amount shall be the amount generated by each surtax imposed by  
4 the school district in 2011.

5     (2A) The enhanced cumulative income surtax imposed  
6 pursuant to this paragraph "b" shall not apply for purposes of  
7 calculating the cumulative limitation described in paragraph  
8 "a".

9     (3) This paragraph "b" is repealed on June 30, 2016.

10    2. A school district income surtax fund is created in the  
11 office of treasurer of state. Income surtaxes collected by  
12 the department of revenue under sections 257.21, 257.29, and  
13 298.2 and section 442.15, Code 1989, shall be deposited in the  
14 school district income surtax fund to the credit of each school  
15 district. A separate accounting of each surtax, by school  
16 district, shall be maintained.

17    3. The director of the department of administrative  
18 services shall draw warrants in payment of the surtaxes  
19 collected in each school district. Warrants shall be payable  
20 in two installments to be paid on approximately the first day  
21 of December and the first day of February following collection  
22 of the taxes and shall be delivered to the respective school  
23 districts.

24    Sec. 2. Section 422.5, subsection 1, paragraphs a through i,  
25 Code 2011, are amended to read as follows:

26    a. On all taxable income from zero through one thousand  
27 dollars, ~~thirty-six~~ twenty-eight hundredths of one percent.

28    b. On all taxable income exceeding one thousand dollars but  
29 not exceeding two thousand dollars, ~~seventy-two~~ fifty-seven  
30 hundredths of one percent.

31    c. On all taxable income exceeding two thousand dollars but  
32 not exceeding four thousand dollars, ~~two one~~ and ~~forty-three~~  
33 ninety-four hundredths percent.

34    d. On all taxable income exceeding four thousand dollars but  
35 not exceeding nine thousand dollars, ~~four~~ three and ~~one-half~~

1 six-tenths percent.

2 *e.* On all taxable income exceeding nine thousand dollars  
3 but not exceeding fifteen thousand dollars, ~~six~~ four and ~~twelve~~  
4 eighty-nine hundredths percent.

5 *f.* On all taxable income exceeding fifteen thousand dollars  
6 but not exceeding twenty thousand dollars, ~~six~~ five and  
7 ~~forty-eight~~ eighteen hundredths percent.

8 *g.* On all taxable income exceeding twenty thousand dollars  
9 but not exceeding thirty thousand dollars, ~~six~~ five and  
10 ~~eight-tenths~~ forty-four hundredths percent.

11 *h.* On all taxable income exceeding thirty thousand dollars  
12 but not exceeding forty-five thousand dollars, ~~seven~~ six and  
13 ~~ninety-two~~ thirty-three hundredths percent.

14 *i.* On all taxable income exceeding forty-five thousand  
15 dollars, ~~eight~~ seven and ~~ninety-eight~~ eighteen hundredths  
16 percent.

17 Sec. 3. EFFECTIVE DATE AND APPLICABILITY. This Act takes  
18 effect January 1, 2012, and applies to tax years beginning on  
19 or after that date.