

**NINETY-FIRST GENERAL ASSEMBLY
2026 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

April 21, 2026

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
SF 274	S-5194	Withdrawn	TOM SHIPLEY
SF 274	S-5196	Adopted	TOM SHIPLEY
SF 2298	S-5198	Filed	JEFF REICHMAN
SF 2499	S-5197	Filed	MIKE BOUSSELOT
HF 2326	S-5199	Filed	JEFF REICHMAN
HF 2490	S-5193	Adopted	SANDY SALMON
HF 2562	S-5195	Adopted	MARK COSTELLO

Fiscal Notes

[SF 2231](#) — [Educational Programs, Eligibility of Sectarian Programs and Costs](#) (LSB5898SV)

[SF 2480](#) — [Taxation of Vapor Products, Appropriations](#) (LSB6950SV)

[SF 2492](#) — [Corporate Income Tax, Section 951A Income](#) (LSB5960SZ)

SENATE FILE 274

S-5194

1 Amend the House amendment, S-5057, to Senate File 274, as
2 passed by the Senate, as follows:

3 1. Page 1, by striking lines 17 through 19 and inserting:

4 <3. This section shall not apply to any of the following:

5 a. An extracurricular interscholastic athletic contest or
6 competition that takes place at a public school or a nonpublic
7 school that is not a member of an organization.

8 b. An extracurricular interscholastic athletic contest
9 or competition that takes place at a venue that is owned or
10 operated by a public school or a nonpublic school that is not
11 a member of an organization.>

By TOM SHIPLEY

S-5194 FILED APRIL 20, 2026

WITHDRAWN

SENATE FILE 274

S-5196

1 Amend the House amendment, S-5057, to Senate File 274, as
2 passed by the Senate, as follows:

3 1. Page 1, by striking lines 17 through 19 and inserting:

4 <3. This section shall not apply to any of the following:

5 a. An extracurricular interscholastic athletic contest or
6 competition that takes place at a public school or a nonpublic
7 school that is not a member of an organization.

8 b. An extracurricular interscholastic athletic contest or
9 competition, sponsored by an organization, that takes place at
10 a venue that is not owned or operated by a public school, a
11 nonpublic school, or an organization.>

By TOM SHIPLEY

S-5196 FILED APRIL 20, 2026

ADOPTED

SENATE FILE 2298

S-5198

1 Amend Senate File 2298 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. Section 533A.8, subsection 5, paragraph a, Code
5 2026, is amended to read as follows:

6 a. Maintain a separate bank ~~trust~~ account or dedicated
7 account in which all payments received from debtors for the
8 benefit of creditors shall be deposited and in which all
9 payments shall remain until a remittance is made to either the
10 debtor or the creditor.

11 Sec. 2. Section 533A.8, subsection 5, paragraph d, Code
12 2026, is amended by striking the paragraph.

13 Sec. 3. Section 533A.8, subsection 6, Code 2026, is amended
14 to read as follows:

15 6. If the debt management program is not based on a model
16 which requires the licensee or any licensee to receive money or
17 evidences thereof from the debtor to distribute to the debtor's
18 creditors, ~~both of the following shall apply:~~

19 ~~a. The the debtor shall maintain full control of and access~~
20 ~~to any moneys set aside for payment to creditors.~~

21 ~~b. The licensee may not receive consideration from any third~~
22 ~~party in connection with services rendered to a debtor.~~

23 Sec. 4. Section 533A.8, Code 2026, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 10A. If a debtor who has contracted with
26 a licensee to settle a debt has executed a debt settlement
27 agreement with a creditor to settle such debt and has made at
28 least one payment pursuant to that agreement, and the debtor
29 subsequently fails to complete the payment terms required under
30 that debt settlement agreement, the licensee shall attempt to
31 renegotiate, resolve, reduce, or otherwise alter the terms of
32 the debt with the creditor and shall not request or receive
33 an additional fee from the debtor for any additional debt
34 management service provided by the licensee for that debt.
35 This subsection does not prohibit a licensee from requesting

1 or receiving payment of any outstanding balance of the fee
2 required by the contract between the licensee and debtor for
3 that debt.

4 Sec. 5. Section 533A.9, subsection 4, Code 2026, is amended
5 by striking the subsection and inserting in lieu thereof the
6 following:

7 4. If a debt management program is not based on a model that
8 requires the licensee or another licensee to receive money or
9 evidences thereof from the debtor to distribute to the debtor's
10 creditors, a licensee may not request or receive payment of
11 any fee or consideration for debt management services provided
12 under a debt management program unless all of the following are
13 true:

14 a. The licensee has renegotiated, resolved, reduced, or
15 otherwise altered the terms of at least one debt pursuant to a
16 resolution agreement or other contractual agreement executed
17 by the debtor and the creditor.

18 b. The debtor has made at least one payment pursuant to the
19 resolution agreement or other contractual agreement entered
20 into under paragraph "a".

21 c. To the extent that debts enrolled in the debt management
22 program are renegotiated, resolved, reduced, or otherwise
23 altered individually, the fee or consideration for the debt
24 management service bears the same proportional relationship to
25 the total fee or consideration for renegotiating, resolving,
26 reducing, or otherwise altering the terms of the entire debt
27 balance as the individual debt amount bears to the entire debt
28 amount, not to exceed thirty percent of the total amount of
29 debt enrolled by the debtor at the time of enrollment in the
30 debt management program. The individual debt amount and the
31 entire debt amount are those owed at the time the debt was
32 enrolled in the debt management program. The percent charged
33 is the same for each individual debt enrolled in the debt
34 management program.

35 Sec. 6. Section 533A.9, subsection 5, Code 2026, is amended

1 by striking the subsection and inserting in lieu thereof the
2 following:

3 5. *a.* Notwithstanding any provision of this section to
4 the contrary, the total aggregate fee or consideration charged
5 by a licensee for all debt management services provided by the
6 licensee to a debtor shall not exceed thirty percent of the
7 total amount of debt enrolled by the debtor at the time of
8 enrollment in the debt management program.

9 *b.* A licensee may assess and collect the fee for debt
10 management services on a per-debt basis as a debt is
11 renegotiated, settled, reduced, or otherwise altered in a
12 manner consistent with this section and applicable federal law.

13 Sec. 7. Section 533A.9, Code 2026, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 6. If a debt settlement agreement between a
16 debtor and a creditor to settle a debt provides for the debtor
17 to make more than one payment to the creditor, the licensee
18 shall request or receive payment from the debtor of any fee for
19 debt management services provided with respect to that debt
20 incrementally over not less than one quarter of the length of
21 the debtor's period of repayment to such creditor.

22 Sec. 8. Section 538A.2, subsection 2, Code 2026, is amended
23 by adding the following new paragraph:

24 NEW PARAGRAPH. *i.* A person licensed to engage in the
25 business of debt management under section 533A.2, when acting
26 within the course and scope of that license.>

By JEFF REICHMAN

S-5198 FILED APRIL 20, 2026

SENATE FILE 2499

S-5197

- 1 Amend Senate File 2499 as follows:
- 2 1. Page 17, line 5, by striking <domesticates> and inserting
- 3 <redomesticates>

By MIKE BOUSSELOT

S-5197 FILED APRIL 20, 2026

HOUSE FILE 2326

S-5199

1 Amend House File 2326, as amended, passed, and reprinted by
2 the House, as follows:

3 1. Page 3, line 17, by striking <quarter> and inserting
4 <half>

By JEFF REICHMAN

S-5199 FILED APRIL 20, 2026

HOUSE FILE 2490

S-5193

1 Amend the amendment, S-5116, to House File 2490, as passed by
2 the House, as follows:

3 1. By striking page 1, line 9, through page 3, line 15, and
4 inserting:

5 <1. a. The examination and copying of public records shall
6 be done under the supervision of the lawful custodian of the
7 records or the lawful custodian's authorized designee.

8 b. The lawful custodian shall not require the physical
9 presence of a person requesting or receiving a copy of a public
10 record and shall fulfill requests for a copy of a public record
11 received in writing, by telephone, or by electronic means.

12 ~~Although fulfillment~~

13 2. a. Fulfillment of a request for a copy of a public
14 record may be contingent upon receipt of payment of reasonable
15 expenses, ~~the.~~ The lawful custodian shall make every
16 reasonable effort to provide the public record requested at no
17 cost other than copying costs for a record which takes less
18 than thirty minutes to produce.

19 b. In the event expenses are necessary, such expenses shall
20 must be reasonable and shall be communicated to the requester
21 upon receipt of the request.

22 c. A person may contest the reasonableness of the lawful
23 custodian's expenses as provided for in this chapter.

24 3. The lawful custodian may adopt and enforce reasonable
25 rules regarding the examination and copying of the public
26 records and the protection of the records against damage or
27 disorganization.

28 4. The lawful custodian shall provide a suitable place
29 location for the examination and copying of the public records,
30 but if it is impracticable to do the examination and copying of
31 the records in the office of the lawful custodian, the person
32 desiring to examine or copy shall pay any necessary expenses of
33 providing a place for the examination and copying.

34 ~~2. All reasonable expenses of the examination and copying~~
35 ~~shall be paid by the person desiring to examine or copy.~~

1 5. a. The lawful custodian may charge a reasonable fee
2 for the services of the lawful custodian or the custodian's
3 authorized designee in supervising the examination and
4 copying of the public records. All reasonable expenses of the
5 examination and copying shall be paid by the person desiring to
6 examine or copy the public record.

7 b. If copy equipment is available at the office of the
8 lawful custodian of any public records, the lawful custodian
9 shall provide any person a reasonable number of copies of any
10 public record in the custody of the office upon the payment of
11 a fee. The fee for the copying service as determined by the
12 lawful custodian shall not exceed the actual cost of providing
13 the service. Actual costs shall include only those reasonable
14 expenses directly attributable to supervising the examination
15 of and making and providing copies of public records. Actual
16 costs shall not include charges for ordinary expenses or
17 costs such as employment benefits, depreciation, maintenance,
18 electricity, or insurance associated with the administration of
19 the office of the lawful custodian.

20 c. Costs for legal services should only be utilized for
21 the redaction or review of legally protected confidential
22 information. ~~However, a~~

23 d. A county recorder shall not charge a fee for the
24 examination and copying of public records necessary to complete
25 and file claims for benefits with the Iowa department of
26 veterans affairs or the United States department of veterans
27 affairs.>

28 2. Page 3, after line 31 by inserting:

29 <Sec. ____ . NEW SECTION. 22.8A Injunction to restrain
30 vexatious requester.

31 1. The district court may grant an injunction restraining
32 the right of a person found to be a vexatious requester to
33 examine public records under section 22.2 from a specific
34 government body, or may impose reasonable limitations on the
35 manner, frequency, or scope of such requests. A hearing shall

1 be held on a request for injunction after reasonable notice, as
2 determined by the court, is given to the person alleged to be a
3 vexatious requester. The government body seeking an injunction
4 shall ensure compliance with the notice requirement. Such an
5 injunction may be issued only if the petition supported by
6 affidavit shows, and if the court finds, all of the following:

7 *a.* The requests, considered in totality, would clearly not
8 be in the public interest.

9 *b.* The requests, considered in totality, constitute a
10 pattern of vexatious conduct.

11 *c.* The continuation of such requests would substantially and
12 irreparably injure the government body's ability to perform the
13 government body's duties or functions.

14 *d.* Less restrictive measures under this chapter are
15 inadequate to provide sufficient relief.

16 2. In an action brought under this section, the court shall
17 take into account the policy of this chapter that free and
18 open examination of public records is generally in the public
19 interest even though such requests may cause inconvenience or
20 embarrassment to public officials or others. A court may issue
21 an injunction under this section only if the government body
22 seeking the injunction demonstrates by clear and convincing
23 evidence that this section authorizes the issuance of the
24 injunction.

25 3. In determining whether conduct constitutes vexatious
26 conduct under this section, the court may consider any of the
27 following:

28 *a.* The number, frequency, timing, scope, and content of
29 public requests.

30 *b.* The nature of oral and written communications related to
31 the public requests.

32 *c.* Any prior administrative or judicial findings regarding
33 the conduct of the requester.

34 *d.* All other relevant circumstances.

35 4. For purposes of this section:

1 *a.* "News media" includes any person who regularly gathers,
2 prepares, photographs, records, writes, edits, reports, or
3 publishes news for monetary consideration.

4 *b.* (1) "Vexatious conduct" means a pattern of public
5 records requests that satisfies one or more of the following:

6 (i) The requests are designed primarily to harass the
7 government body, its officers, or its employees.

8 (ii) The government body shows by clear and convincing
9 evidence that the requests impose an unreasonable burden on the
10 government body and compliance would substantially interfere
11 with essential governmental operations.

12 (iii) The requests are submitted in a manner or accompanied by
13 communication that constitute harassment of public officers or
14 employees as provided in section 718.4.

15 (2) "Vexatious conduct" does not include solely a large
16 volume of requests made by a person or a representative of the
17 news media.

18 5. Upon finding by a preponderance of the evidence that the
19 requester has not engaged in a pattern of vexatious conduct,
20 a court shall order the payment of all costs and reasonable
21 attorney fees, including appellate attorney fees, to the
22 requester by the government body in the action brought under
23 this section.>>

24 3. Page 3, line 35, by striking <costs> and inserting
25 <supervision and fees>

26 4. Page 4, line 1, by striking <and>

27 5. Page 4, line 2, by striking <appointees> and inserting
28 <appointees, and injunctions to restrain vexatious requesters>

29 6. By renumbering as necessary.

By SANDY SALMON

[S-5193](#) FILED APRIL 20, 2026

ADOPTED

HOUSE FILE 2562

S-5195

1 Amend House File 2562, as amended, passed, and reprinted by
2 the House, as follows:

3 1. Page 1, before line 1 by inserting:

4 <DIVISION I
5 CARE FACILITY PLACEMENT>

6 2. Page 7, after line 24 by inserting:

7 <Sec. ____ . NEW SECTION. 144H.6 Division of aging and
8 disability services — notification.

9 1. Upon completion of a physician's certification pursuant
10 to section 144H.2, and prior to a person authorized to consent
11 taking any action under section 144H.3, the patient's attending
12 physician shall forward a copy of the physician's certification
13 to the department's division of aging and disability services.

14 2. At least ten days prior to a care facility or an
15 attending physician petitioning the court for an order
16 under section 144H.5, the care facility or the patient's
17 attending physician shall forward a copy of the petition to the
18 department's division of aging and disability services.

19 3. Upon granting a petition pursuant to section 144H.5,
20 the court shall forward a copy of the court order to the
21 department's division of aging and disability services.

22 4. A receiving care facility placing a patient pursuant
23 to section 144H.3, or a court order under section 144H.5,
24 shall notify the department's division of aging and disability
25 services upon completion of the patient's placement at the
26 receiving care facility.>

27 3. Page 7, line 25, by striking <144H.6> and inserting
28 <144H.7>

29 4. Page 7, line 33, by striking <144H.7> and inserting
30 <144H.8>

31 5. Page 8, line 9, by striking <144H.8> and inserting
32 <144H.9>

33 6. Page 8, after line 11 by inserting:

34 <DIVISION ____
35 PERSONS AUTHORIZED TO CONSENT — CONTINGENT ON ENACTMENT OF

LEGISLATION

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Sec. _____. Section 144H.1, subsection 6, as enacted in Division I of this Act, is amended to read as follows:

6. *“Person authorized to consent”* means an individual, in the same order of priority prescribed in section 144A.7, subsection 1, paragraph “b”, who shall be guided by the express or implied intentions of the patient and who is reasonably available, willing, and competent to consent, refuse to consent, or withdraw consent on a patient’s behalf.

Sec. _____. CONTINGENT EFFECTIVE DATE. This division of this Act takes effect only if 2026 Iowa Acts, House File 2305, or successor legislation, amends section 144A.7, subsection 1, paragraph “b”, and is substantially similar to the following language:

b. If a patient does not have an attorney in fact, a guardian appointed pursuant to chapter 633, or a guardian who has obtained court approval in accordance with section 232D.401, subsection 4, paragraph “a”, the decision may be made by any of the following individuals, who shall be guided by the express or implied intentions of the patient, in the following order of priority if no individual in the previous priority is reasonably available, willing, and competent to make the decision:

- (1) The patient’s spouse.
- (2) An adult child of the patient or, if the patient has more than one adult child, the decision agreed to by a majority of the adult children who are reasonably available for consultation with the patient’s attending provider.
- (3) A parent of the patient or if the patient has more than one parent, the decision agreed to by both parents if both are reasonably available for consultation with the patient’s attending provider.
- (4) An adult sibling of the patient or, if the patient has more than one adult sibling, the decision agreed to by a majority of the adult siblings who are reasonably available for

S-5195 (Continued)

1 consultation with the patient's attending provider.

2 (5) The decision agreed to by a majority of the patient's
3 adult relatives, including but not limited to grandchildren,
4 grandparents, aunts, uncles, nieces, nephews, stepchildren,
5 stepparents, and stepsiblings who are reasonably available for
6 consultation with the patient's attending provider.

7 (6) A close adult friend.>

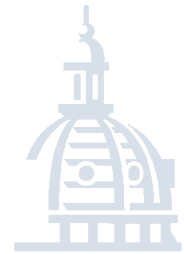
8 7. Title page, line 2, after <adults> by inserting <, and
9 including effective date provisions>

10 8. By renumbering as necessary.

By MARK COSTELLO

S-5195 FILED APRIL 20, 2026

ADOPTED



SF 2231 – Educational Programs, Eligibility of Sectarian Programs and Costs (LSB5898SV.1)
Staff Contacts: Lora Vargason (515.725.1286) lora.vargason@legis.iowa.gov
Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov
Fiscal Note Version – As amended by House amendment [S-5177](#)

Description

[Senate File 2231](#) as amended by House amendment [S-5177](#) requires school districts to enter into [28E](#) agreements with community-based providers to allow a community-based provider to provide high-quality instruction as part of the approved local preschool program.

The Bill as amended also removes exclusions of sectarian books and expenses that relate to the teaching of religion from the definitions of textbooks and tuition for the Tuition and Textbook Tax Credit (TTC), and removes exclusions of certain religious services, materials, or activities from the definition of early childhood development expenses for the Early Childhood Development (ECD) Tax Credit.

The removal of exclusions for the TTC and the ECD Tax Credit apply retroactively for tax years beginning on or after January 1, 2026.

The Bill as amended requires the Director of the Department of Education (DE) to distribute to superintendents and principals the most recent version of the United States Department of Education’s [guidance](#) related to constitutionally protected prayer and religious expression in public elementary and secondary schools. Each superintendent and principal will distribute this guidance as detailed in the Bill as amended. The DE is required to provide a link on its site to this most recent guidance. The DE will develop and distribute to public schools and a community-based provider participating in the Statewide Voluntary Preschool Program (SWVPP) a professional development (PD) training program and a model policy regarding constitutionally protected prayer and religious expression in elementary and secondary schools.

The Bill as amended also provides for free speech protections and enforcement mechanisms including civil action and civil penalties.

Background

The SWVPP, established in Iowa Code chapter [256C](#), provides funding to school districts for eligible preschool-age children and programs. Under current law, only school districts that meet certain requirements established by the State Board of Education can participate in the SWVPP. School districts are currently allowed to contract with community-based providers for SWVPP services. State funding provided for the SWVPP is provided to school districts based on the number of eligible students enrolled in the preschool program. If the school district contracts with a community-based provider, any State funding passes from the school district to the community-based provider.

Over the last three years, the following number of school district and community-based partnerships have been in place:

- 2023-2024 academic year: 323 school district programs with 238 community partner locations.

- 2024-2025 academic year: 324 school district programs with 231 community partner locations.
- 2025-2026 academic year: 325 school district programs with 228 community partner locations.

The DE currently dedicates 3.0 full-time equivalent (FTE) positions to provide State oversight and technical assistance, including professional development, coaching services, and program monitoring. Professional development is also provided through the Area Education Agencies (AEAs) as a fee-for-service option.

The TTC was created in 1987 Iowa Acts, chapter [233](#) (Appropriations and Programs Relating to Various Public Agencies Act), and is summarized in a [Fiscal Topic, Tax Credit: Tuition and Textbook Tax Credit](#). In 2021 Iowa Acts, chapter [139](#) (Education Programs, Tax Credits, and Information Act), the expense cap was increased from \$1,000 to \$2,000 with a 25.0% credit (\$500) against eligible education expenses.

According to the December 2025 [Contingent Liabilities Report](#) from the Iowa Department of Revenue (IDR), claims for the TTC totaled \$23.8 million in FY 2025.

The ECD Tax Credit was created in 2005 Iowa Acts, chapter [148](#) (Early Care, Child Care, Education, Health, and Human Services Assistance Act), and is summarized in the [Fiscal Topic Tax Credit: Early Childhood Development Tax Credit](#). In 2021 Iowa Acts, chapter [177](#) (State and Local Revenue and Finance Act), the income eligibility limit was increased from \$45,000 to \$90,000, with a tax credit limit of 25.0% (\$250) against a maximum of \$1,000 in eligible expenses.

According to the December 2025 Contingent Liabilities Report from the IDR, claims for the ECD Tax Credit totaled \$1.4 million in FY 2025.

Assumptions

The following assumptions are made regarding requiring school districts to enter into 28E agreements with community-based providers:

- Community-based providers will adhere to the same programmatic requirements and administrative tasks as those currently assumed by school districts, including annual program assurances, State data reporting, assessment requirements, and meeting preschool program standards as established by the State Board of Education.
- Licensing requirements for SWVPP personnel will be maintained.
- With a potential increase in community-based providers, the DE may require additional FTE positions to support State oversight and technical assistance services.
- The current State school aid for SWVPP is \$4,074 per pupil.
- Each new community-based provider would be supporting classrooms with a maximum of 20.0 pupils at a State school aid cost of \$79,880.
- The DE FTE salary and benefit cost for an Education Program Consultant is \$160,000 and for a Data Analyst is \$149,000.

The following assumptions are made regarding the TTC exclusions:

- Tax year (TY) 2026 impacts will primarily affect individual income tax revenue to the General Fund beginning in FY 2027, although a small amount of TY 2026 claims will materialize in FY 2026.
- According to TY 2024 data, approximately 13,000 households with dependents who attend private religious schools would have the ability to access the TTC under the \$2,000 expenditure limit.

- The price of a textbook for K-12 students is \$90.
- The Bill as amended affects both resident and nonresident individual income taxpayers.
- The [income surtax for schools](#) is a local option tax that is based on a taxpayer's Iowa income tax liability. Law changes that lower Iowa income tax liability also lower the amount of income surtax owed by any taxpayer subject to the surtax. For this projection, the surtax is assumed to equal 3.3% of State individual income tax liability.

The following assumptions are made regarding the ECD Tax Credit exclusions:

- TY 2026 impacts will affect individual income tax revenue to the General Fund beginning in FY 2027.
- Approximately 400 households annually that have not reached the maximum \$250 tax credit would be eligible to claim the credit.
- The average tax credit increase per household is \$145, per the IDR.
- Approximately 15.0% of children from three to five years old are in faith-based child care that may purchase religious materials that are eligible expenses used to calculate the tax credit.
- The Bill as amended affects both resident and nonresident individual income tax payers.
- The tax credit is refundable and would have no impact on the income surtax for schools.

Fiscal Impact

The fiscal impact of the section of the Bill as amended requiring school districts to enter into 28E agreements with community-based providers is undetermined because it is unknown whether there will be an increase in SWVPP due to additional pupils participating in preschool programs provided by community-based providers. For each additional pupil participating in SWVPP, there will be an additional cost to the General Fund of \$4,074 based on the current State cost per pupil. In addition, the DE may incur additional administrative costs due to the increase of oversight and providing technical assistance to community-based providers.

The section of the Bill as amended affecting the TTC is estimated to decrease income surtax for schools by approximately \$13,000 annually beginning in FY 2027, and decrease General Fund revenue in the following amounts:

- FY 2026 = \$2,000
- FY 2027 = \$397,000
- FY 2028 = \$395,000
- FY 2029 = \$395,000
- FY 2030 = \$391,000
- FY 2031 = \$385,000

The section of the Bill as amended affecting the ECD Tax Credit is estimated to decrease General Fund revenue in the following amounts:

- FY 2027 = \$60,000
- FY 2028 = \$59,000
- FY 2029 = \$59,000
- FY 2030 = \$59,000
- FY 2031 = \$58,000

The provisions of the Bill as amended related to distributing guidance, providing PD, and distributing a model policy are expected to have no fiscal impact to the DE.

Sources

Department of Education
Iowa Department of Revenue
Bipartisan Policy Center
Legislative Services Agency analysis

/s/ Jennifer Acton

April 20, 2026

Doc ID 1604153

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



Fiscal Note

Fiscal Services Division



[SF 2480](#) – Taxation of Vapor Products, Appropriations (LSB6950SV)
Staff Contact: Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2480](#) relates to the regulation and taxation of alternative nicotine products and vapor products.

The Bill does the following:

- Imposes an alternative nicotine products tax of \$0.05 per container containing up to 20 units and a proportionate tax at the same rate on each unit in excess of 20 units.
- Imposes a vapor products tax of \$0.05 per milliliter of nicotine in a solution and a proportionate tax at the same rate on any fractions of a milliliter.
- Includes alternative nicotine products and vapor products in the inventory tax.

Revenue generated from the alternative nicotine products tax and vapor products tax is deposited into the Health Care Trust Fund (HCTF). The Bill creates a standing HCTF appropriation to the Board of Regents (BOR) beginning in FY 2028 up to \$3.0 million from revenue collected attributable to the alternative nicotine products tax and vapor products tax. The appropriation is used for the purpose of conducting pediatric cancer research, clinical therapy access, and providing physician-scientist leadership at the University of Iowa Stead Family Children’s Hospital.

The Bill requires the BOR to submit an annual report beginning December 1, 2028, on the appropriation to the General Assembly describing the following:

- The research programs initiated or advanced as a result of the appropriation.
- The number of patients served, including patients enrolled in clinical trials or therapy.
- Any outcomes to the extent available on the efficacy of the funded programs, trials, or therapies.

The Bill regulates nicotine analogs in the same manner as alternative nicotine products and modifies requirements for distributors, manufacturers, and subjobbers that sell alternative nicotine products and vapor products. A component, part, or accessory of a vapor product is considered a vapor product if sold in combination with a substance containing nicotine, a nicotine analog, tobacco, or tobacco derivatives.

The Bill takes effect January 1, 2027.

Background

The HCTF is annually appropriated to the Department of Health and Human Services (HHS) to support the [Medicaid Program](#). In FY 2025, \$144.4 million was appropriated from the HCTF to the HHS for Medicaid.

The inventory tax is applied on the effective date of an increase to the tax rate for cigarettes, little cigars, tobacco products, unused cigarette tax stamps, and unused metered imprints. The inventory tax rate is the difference between the amount of tax paid on each item and the new

amount required to be paid on each item. The inventory tax is applied only if there is an increase in the tax rate for cigarettes, little cigars, tobacco products, unused cigarette tax stamps, and unused metered imprints.

Alternative nicotine products and vapor products are subject to the sales and use tax. Cigarette and tobacco taxes do not apply to alternative nicotine products and vapor products that do not contain tobacco.

Under current law, a component, part, or accessory of a vapor product is not regulated as a vapor product. Nicotine analogs are not considered alternative nicotine products. A nicotine analog is a substance that has a chemical structure substantially similar to nicotine or that has an effect on the central nervous system that is substantially similar to, or greater than, the effects of nicotine.

A State permit under Iowa Code section [453A.13](#) and a local permit under Iowa Code section [453A.47A](#) are required for the sale of alternative nicotine products and vapor products.

Assumptions

- Each container of alternative nicotine products contains 20 units.
- The largest alternative nicotine product brand has a market share of 68.0% and had a shipment volume of 794.0 million containers in 2025.
- There were 21.1 million standardized unit sales of vapor products in June 2024.
- Disposable vapor products account for 58.1% of standardized unit sales and have an average volume of 11.7 milliliters per device.
- Prefilled cartridges account for 41.9% of standardized unit sales and have an average volume of 1.3 milliliters per pod. There are five pods in a standardized unit.
- Online sales will be 20.0% of total vapor product sales.
- Sales of alternative nicotine products and vapor products will increase by 5.54% each year.
- Sales of alternative nicotine products and vapor products in Iowa will be proportional to the State's share of the national population.
- The inventory tax applies to alternative nicotine products and vapor products on the effective date of the Bill.
- Businesses involved in the distribution of alternative nicotine products and vapor products keep two months of inventory.
- It is estimated that an inventory tax on two months' worth of sales will be approximately \$400,000 in one-time money deposited into the HCTF.
- Because the new excise tax on vapor products and alternative nicotine products takes effect January 1, 2027, the FY 2027 year revenue is for six months and is estimated to be \$1.2 million and will be deposited into the HCTF to be used for Medicaid.
- Beginning in FY 2028, any revenue generated by the excise tax on vapor products and alternative nicotine products will be deposited into the HCTF and up to \$3.0 million will be appropriated to the BOR through an annual standing appropriation.

Fiscal Impact

Senate File 2480 is estimated to increase revenue to the HCTF by the following amounts:

- FY 2027 = \$1.6 million
- FY 2028 = \$2.6 million
- FY 2029 = \$2.7 million
- FY 2030 = \$2.9 million
- FY 2031 = \$3.0 million

Under the Bill, it is estimated that the annual standing appropriation from the HCTF to the BOR for pediatric cancer research will be the following amounts:

- FY 2028 = \$2.6 million
- FY 2029 = \$2.7 million
- FY 2030 = \$2.9 million
- FY 2031 = \$3.0 million

Sources

Iowa Department of Revenue
Centers for Disease Control and Prevention
Census Bureau
Statista
American Journal of Preventative Medicine
Maryland Tobacco Control Resource Center
Monitoring Tobacco Product Use
Truth Initiative
Philip Morris International 2025 Investor Report
Legislative Services Agency calculations

/s/ Jennifer Acton

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The Fiscal Note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this Fiscal Note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



Fiscal Note

Fiscal Services Division



[SF 2492](#) – Corporate Income Tax, Section 951A Income (LSB5960SZ)
Staff Contact: Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov
Fiscal Note Version – New

Description

[Senate File 2492](#) creates a State corporate income tax deduction for net controlled foreign corporation (CFC) tested income (net CFC tested income or NCTI) from a foreign corporation, replacing the tax deduction for global intangible low-taxed income (GILTI).

The Bill applies retroactively to tax years beginning on or after January 1, 2026.

Background

The [One Big Beautiful Bill Act \(OBBBA\)](#) of 2025 replaced GILTI with NCTI, which is a U.S. tax law that requires Americans who are owners of foreign corporations to pay federal tax, offset by a 40.0% federal deduction. Currently, the Iowa Code specifically references a deduction for GILTI under [26 U.S.C. §951A](#); however, federal code changed GILTI to NCTI.

Assumptions

- The projection for NCTI is based on tax year (TY) 2023 and TY 2024 GILTI information reported on Iowa corporate income tax returns.
- Net CFC tested income represents 103.5% of GILTI reported on Iowa corporate tax returns, based on Internal Revenue Service (IRS) ratios of NCTI to GILTI from TY 2018 and TY 2021.
- Iowa's total apportioned share of GILTI reported in TY 2024 is approximately \$39.750 billion from 838 taxpayers, representing approximately 87.0% of all corporate income tax returns that are expected to be filed.
- The number of corporate income taxpayers in TY 2024 remains similar to the amount in TY 2023.
- The Iowa Department of Revenue (IDR) estimates a TY 2024 revenue impact of \$10.9 million due to the NCTI deduction.
- Based on Moody's projections used by the IDR, the annual average percentage increase in corporate profits is 1.9%, which is assumed for tax years beginning in TY 2025.
- The Bill is expected to have fiscal impacts beginning annually in FY 2026 due to the retroactivity of the Bill.

Fiscal Impact

Senate File 2492 is expected to decrease revenue to the General Fund by the following amounts:

- FY 2026 = \$2.1 million
- FY 2027 = \$9.2 million
- FY 2028 = \$11.4 million
- FY 2029 = \$11.7 million
- FY 2030 = \$11.9 million
- FY 2031 = \$12.1 million

