

**EIGHTY-FIFTH GENERAL ASSEMBLY
2014 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

JANUARY 27, 2014

SENATE FILE 303

S-5001

1 Amend Senate File 303 as follows:
2 1. Page 1, before line 1 by inserting:
3 <Section 1. Section 422.5, subsection 3, paragraph
4 a, Code 2014, is amended to read as follows:
5 a. The tax shall not be imposed on a resident or
6 nonresident whose net income, as defined in section
7 422.7, is thirteen thousand five hundred dollars or
8 less in the case of married persons filing jointly
9 or filing separately on a combined return, heads of
10 household, and surviving spouses or nine thousand
11 dollars or less in the case of all other persons;
12 but in the event that the payment of tax under this
13 division would reduce the net income to less than
14 thirteen thousand five hundred dollars or nine thousand
15 dollars as applicable, then the tax shall be reduced to
16 that amount which would result in allowing the taxpayer
17 to retain a net income of thirteen thousand five
18 hundred dollars or nine thousand dollars as applicable.
19 The preceding sentence does not apply to estates or
20 trusts. For the purpose of this subsection, the entire
21 net income, including any part of the net income not
22 allocated to Iowa, shall be taken into account. For
23 purposes of this subsection, net income includes all
24 amounts of pensions or other retirement income, except
25 for military retirement pay excluded under section
26 422.7, subsection 31A, paragraph "a", received from any
27 source which is not taxable under this division as a
28 result of the government pension exclusions in section
29 422.7, or any other state law. If the combined net
30 income of a husband and wife exceeds thirteen thousand
31 five hundred dollars, neither of them shall receive
32 the benefit of this subsection, and it is immaterial
33 whether they file a joint return or separate returns.
34 However, if a husband and wife file separate returns
35 and have a combined net income of thirteen thousand
36 five hundred dollars or less, neither spouse shall
37 receive the benefit of this paragraph, if one spouse
38 has a net operating loss and elects to carry back or
39 carry forward the loss as provided in section 422.9,
40 subsection 3. A person who is claimed as a dependent
41 by another person as defined in section 422.12 shall
42 not receive the benefit of this subsection if the
43 person claiming the dependent has net income exceeding
44 thirteen thousand five hundred dollars or nine thousand
45 dollars as applicable or the person claiming the
46 dependent and the person's spouse have combined net
47 income exceeding thirteen thousand five hundred dollars
48 or nine thousand dollars as applicable.
49 Sec. _____. Section 422.5, subsection 3B, paragraph
50 a, Code 2014, is amended to read as follows:

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1 a. The tax shall not be imposed on a resident or
2 nonresident who is at least sixty-five years old on
3 December 31 of the tax year and whose net income,
4 as defined in section 422.7, is thirty-two thousand
5 dollars or less in the case of married persons
6 filing jointly or filing separately on a combined
7 return, heads of household, and surviving spouses or
8 twenty-four thousand dollars or less in the case of all
9 other persons; but in the event that the payment of
10 tax under this division would reduce the net income to
11 less than thirty-two thousand dollars or twenty-four
12 thousand dollars as applicable, then the tax shall be
13 reduced to that amount which would result in allowing
14 the taxpayer to retain a net income of thirty-two
15 thousand dollars or twenty-four thousand dollars as
16 applicable. The preceding sentence does not apply to
17 estates or trusts. For the purpose of this subsection,
18 the entire net income, including any part of the net
19 income not allocated to Iowa, shall be taken into
20 account. For purposes of this subsection, net income
21 includes all amounts of pensions or other retirement
22 income, except for military retirement pay excluded
23 under section 422.7, subsection 31A, paragraph "a",
24 received from any source which is not taxable under
25 this division as a result of the government pension
26 exclusions in section 422.7, or any other state law.
27 If the combined net income of a husband and wife
28 exceeds thirty-two thousand dollars, neither of them
29 shall receive the benefit of this subsection, and it
30 is immaterial whether they file a joint return or
31 separate returns. However, if a husband and wife file
32 separate returns and have a combined net income of
33 thirty-two thousand dollars or less, neither spouse
34 shall receive the benefit of this paragraph, if one
35 spouse has a net operating loss and elects to carry
36 back or carry forward the loss as provided in section
37 422.9, subsection 3. A person who is claimed as a
38 dependent by another person as defined in section
39 422.12 shall not receive the benefit of this subsection
40 if the person claiming the dependent has net income
41 exceeding thirty-two thousand dollars or twenty-four
42 thousand dollars as applicable or the person claiming
43 the dependent and the person's spouse have combined
44 net income exceeding thirty-two thousand dollars or
45 twenty-four thousand dollars as applicable.>

46 2. Page 1, line 1, by striking <2013> and inserting
47 <2014>

48 3. Page 1, line 4, by striking <resident>

49 4. Page 1, line 10, by striking <2013> and
50 inserting <2014>

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- 1 5. Title page, line 1, by striking <of a resident>
- 2 6. By renumbering as necessary.

COMMITTEE ON WAYS AND MEANS
JOE BOLKCOM, CHAIRPERSON

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