

1 SEC. 3. Section four hundred twenty-two point sixty-one (422.61),
2 subsection four (4), Code 1975, is amended to read as follows:

3 4. "Net income" means the net income of the financial institution
4 computed in accordance with section 422.35, with the exception that in-
5 terest and dividends from federal securities shall not be subtracted and
6 interest and dividends from evidences of indebtedness and securities of
7 this state and its political subdivisions, exempt from federal income
8 tax under the Internal Revenue Code of 1954 as amended to and in-
9 cluding January 1, 1974 1975, shall not be added.

1 SEC. 4. Sections one (1), two (2) and three (3) of this Act are effec-
2 tive for tax years beginning on or after January 1, 1974.

1 SEC. 5. This Act, being deemed of immediate importance, shall
2 take effect and be in force from and after its publication in the Urban-
3 dale News, a newspaper published in Urbandale, Iowa, and in the
4 Globe-Gazette, a newspaper published in Mason City, Iowa.

Approved February 14, 1975

I hereby certify that the foregoing Act, House File 56, was published in the Urbandale News, Urbandale, Iowa, February 20, 1975, and in the Globe-Gazette, Mason City, Iowa, February 19, 1975.

MELVIN D. SYNHORST, *Secretary of State*

CHAPTER 207

INCOME TAX

H. F. 764

AN ACT relating to individual income tax rates and deductions and making the act retroactive.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section four hundred twenty-two point five (422.5), un-
2 numbered paragraph one (1), Code 1975, is amended to read as fol-
3 lows:

4 A tax is hereby imposed upon every resident of the state, and upon
5 that part of the taxable income of any nonresident which is derived
6 from any property, trust, or other source within this state, including
7 any business, trade, profession, or occupation carried on within this
8 state, which tax shall be levied, collected, and paid annually upon and
9 with respect to his entire taxable income as herein defined at rates as
10 follows:

11 1. On the first one thousand dollars of taxable income, or any part
12 thereof, ~~three-fourths~~ *one-half* of one percent.

13 2. On the second thousand dollars of taxable income, or any part
14 thereof, one and ~~one-half~~ *one-fourth* percent.

15 3. On the third thousand dollars of taxable income, or any part
16 thereof, ~~three two and three-fourths~~ percent.

17 4. On the fourth thousand dollars of taxable income, or any part
18 thereof, ~~four~~ *three and one-half* percent.

19 5. On the fifth, sixth, and seventh thousand dollars of taxable in-
20 come, or any part thereof, five percent.

21 6. On the eighth and ninth thousand dollars of taxable income, or
22 any part thereof, six percent.

- 23 7. On the tenth through the fifteenth thousand dollars of taxable
 24 income or any part thereof, seven percent.
 25 8. On the sixteenth through the twentieth thousand dollars of tax-
 26 able income or any part thereof, eight percent.
 27 9. On the twenty-first through the twenty-fifth thousand dollars
 28 of taxable income or any part thereof, nine percent.
 29 10. On the twenty-sixth through the thirtieth thousand dollars of
 30 taxable income or any part thereof, ten percent.
 31 11. On the thirty-first through the fortieth thousand dollars of
 32 taxable income or any part thereof, eleven percent.
 33 12. On the forty-first through the seventy-fifth thousand dollars of
 34 taxable income or any part thereof, twelve percent.
 35 7 13. On all taxable income over ~~nine~~ seventy-five thousand dol-
 36 lars, ~~seven~~ thirteen percent.

1 SEC. 2. Section four hundred twenty-two point nine (422.9), subsec-
 2 tion one (1), Code 1975, is amended to read as follows:

3 1. An optional standard deduction of ten percent of the net income
 4 after deduction of federal income tax, not to exceed five hundred dol-
 5 lars for a married person who files separately, or one thousand dol-
 6 lars for a single person or a husband and wife who file a joint
 7 return.

1 SEC. 3. Section four hundred twenty-two point nine (422.9), subsec-
 2 tion two (2), paragraph b, Code 1975, is amended to read as follows:

3 b. Add the amount of federal income taxes paid or accrued as the
 4 case may be, during the tax year, adjusted by any federal income tax
 5 refunds. Provided, however, that where married persons, who have
 6 filed a joint federal income tax return, file separately, such total shall
 7 be divided between them according to the portion thereof paid or ac-
 8 crued, as the case may be, by each; ~~and provided further that where a~~
 9 ~~taxpayer has used an optional standard deduction on his federal re-~~
 10 ~~turn, he shall use the optional standard deduction provided for above.~~

1 SEC. 4. The provisions of this Act shall be retroactive to January 1,
 2 1975, for all taxable years commencing on or after January 1, 1975, and
 3 to this extent the provisions of this Act are retroactive.

Approved July 16, 1975

This Act was passed by the G.A. prior to July 1, 1975; see §3.7 of the Code

CHAPTER 208

PROBATE

S. F. 541

AN ACT relating to the probate code.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section four hundred twenty-two point twenty-seven
 2 (422.27), subsection one (1), Code 1975, is amended to read as follows:

3 1. No final account of a ~~fiduciary~~ *an executor, administrator, or*
 4 *trustee* shall be allowed by any court unless such account shows, and
 5 the judge of said court finds, that all taxes imposed by the provisions