

tigation and shall issue a recommendation to an administrative law judge employed either by the commission or by the division of administrative hearings created by section 10A.801, who shall then issue a determination of probable cause or no probable cause.

Sec. 2. Section 216.15, subsection 3, paragraph c, Code 2005, is amended to read as follows:

c. If the administrative law judge concurs with the investigating official that probable cause exists regarding the allegations of the complaint, the staff of the commission shall promptly endeavor to eliminate the discriminatory or unfair practice by conference, conciliation, and persuasion. If the administrative law judge finds that no probable cause exists, the administrative law judge shall issue a final order dismissing the complaint and shall promptly mail a copy to the complainant and to the respondent ~~by certified mail~~. A finding of probable cause shall not be introduced into evidence in an action brought under section 216.16.

Sec. 3. Section 216.15, subsection 10, Code 2005, is amended to read as follows:

10. If, upon taking into consideration all of the evidence at a hearing, the commission finds that a respondent has not engaged in any such discriminatory or unfair practice, the commission shall issue an order denying relief and stating the findings of fact and conclusions of the commission, and shall cause a copy of the order dismissing the complaint to be served ~~by certified mail~~ on the complainant and the respondent.

Sec. 4. Section 216.17, subsection 1, unnumbered paragraph 2, Code 2005, is amended to read as follows:

For purposes of the time limit for filing a petition for judicial review under the Iowa administrative procedure Act, chapter 17A, specified by section 17A.19, the issuance of a final decision of the commission under this chapter occurs on the date notice of the decision is mailed ~~by certified mail~~, to the parties.

Approved April 13, 2005

CHAPTER 24

INTERNAL REVENUE CODE REFERENCES AND INCOME TAX REVISIONS

H.F. 186

AN ACT updating the Code references to the Internal Revenue Code and including retroactive applicability and effective date provisions.

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

Section 1. Section 15.335, subsection 4, unnumbered paragraph 2, Code 2005, is amended to read as follows:

For purposes of this section, "Internal Revenue Code" means the Internal Revenue Code in effect on January 1 ~~31, 2004~~ 2005.

Sec. 2. Section 15A.9, subsection 8, paragraph e, unnumbered paragraph 2, Code 2005, is amended to read as follows:

For purposes of this subsection, "Internal Revenue Code" means the Internal Revenue Code in effect on January 1 ~~31, 2004~~ 2005.

Sec. 3. Section 422.3, subsection 5, Code 2005, is amended to read as follows:

5. "Internal Revenue Code" means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including January 1 ~~31, 2003, and as amended by Pub. L. No. 108-27, section 202, whichever is applicable~~ 2005.

Sec. 4. Section 422.7, subsections 41 and 43, Code 2005, are amended by striking the subsections.

Sec. 5. Section 422.9, subsection 2, paragraph k, Code 2005, is amended by striking the paragraph and inserting in lieu thereof the following:

k. The deduction for state sales and use taxes is allowable only if the taxpayer elected to deduct the state sales and use taxes in lieu of state income taxes under section 164 of the Internal Revenue Code. A deduction for state sales and use taxes is not allowed if the taxpayer has taken the deduction for state income taxes or claimed the standard deduction under section 63 of the Internal Revenue Code. This paragraph applies to taxable years beginning after December 31, 2003, and before January 1, 2006.

Sec. 6. Section 422.10, subsection 3, unnumbered paragraph 2, Code 2005, is amended to read as follows:

For purposes of this section, "Internal Revenue Code" means the Internal Revenue Code in effect on January 1 ~~31, 2004~~ 2005.

Sec. 7. Section 422.32, subsection 7, Code 2005, is amended to read as follows:

7. "Internal Revenue Code" means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including January 1 ~~31, 2003, and as amended by Pub. L. No. 108-27, section 202, whichever is applicable~~ 2005.

Sec. 8. Section 422.33, subsection 5, paragraph d, unnumbered paragraph 2, Code 2005, is amended to read as follows:

For purposes of this subsection, "Internal Revenue Code" means the Internal Revenue Code in effect on January 1 ~~31, 2004~~ 2005.

Sec. 9. Section 422.35, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 20. Subtract the amount of foreign dividend income, including subpart F income as defined in section 952 of the Internal Revenue Code, based upon the percentage of ownership as set forth in section 243 of the Internal Revenue Code.

Sec. 10. **RETROACTIVE APPLICABILITY.** This Act applies retroactively to January 1, 2003, for tax years beginning on or after that date.

Sec. 11. **EFFECTIVE DATE.** This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 13, 2005