

MAR 16 2005
WAYS AND MEANS

HOUSE FILE 804
BY S. OLSON

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to an income tax credit for the purchase of
2 furnaces that are designed to burn field corn or field corn
3 products and including a retroactive applicability date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HF 804

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1 Section 1. NEW SECTION. 422.11K CORN-BURNING FURNACE --
2 TAX CREDIT.

3 1. The taxes imposed under this division, less the credits
4 allowed under sections 422.12 and 422.12B, shall be reduced by
5 a corn-burning furnace tax credit equal to the purchase price
6 of a furnace that burns agricultural field corn or corn
7 products and is to be used by the taxpayer for heating
8 purposes.

9 2. An individual may claim the corn-burning furnace tax
10 credit allowed a partnership, S corporation, or estate or
11 trust electing to have the income taxed directly to the
12 individual. The amount claimed by the individual shall be
13 based upon the pro rata share of the individual's earnings of
14 the partnership, S corporation, or estate or trust.

15 3. Any credit in excess of the tax liability for the tax
16 year is nonrefundable but may be credited to the tax liability
17 for the following ten tax years or until depleted, whichever
18 is the earlier.

19 Sec. 2. Section 422.33, Code 2005, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 17. a. The taxes imposed under this
22 division shall be reduced by a corn-burning furnace tax credit
23 equal to the purchase price of a furnace that burns
24 agricultural field corn or corn products and is to be used by
25 the taxpayer for heating purposes.

26 b. Any credit in excess of the tax liability for the tax
27 year is nonrefundable but may be credited to the tax liability
28 for the following ten tax years or until depleted, whichever
29 is the earlier.

30 Sec. 3. RETROACTIVE APPLICABILITY DATE. This Act applies
31 retroactively to January 1, 2005, for tax years beginning on
32 or after that date.

33 EXPLANATION

34 This bill allows a tax credit under the individual and
35 corporate income taxes for the purchase of furnaces that

1 provide heat by burning agricultural field corn or corn
2 products. The credit is nonrefundable, but any excess may be
3 carried forward for up to 10 years.

4 The bill applies retroactively to January 1, 2005, to tax
5 years beginning on or after that date.

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