

FEB 8 2006  
VETERANS AFFAIRS

HOUSE FILE 2308  
BY CARROLL

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act exempting military duty and retirement pay received from  
2 the federal government by members of the armed forces from the  
3 individual income tax and including a retroactive  
4 applicability date provision.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2308

1 Section 1. Section 422.7, Code Supplement 2005, is amended  
2 by adding the following new subsection:

3 NEW SUBSECTION. 45. Subtract, to the extent included,  
4 compensation, including retirement benefits, received from the  
5 federal government for military service performed in the armed  
6 forces, armed forces military reserves, or national guard.

7 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies  
8 retroactively to January 1, 2006, for tax years beginning on  
9 or after that date.

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EXPLANATION

11 This bill exempts from income tax compensation, including  
12 retirement benefits, received from the federal government for  
13 military service in the armed forces, armed forces military  
14 reserve, or national guard.

15 The bill applies retroactively to January 1, 2006, for tax  
16 years beginning on or after that date.

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