

January 16, 1963.
Ways and Means. *Pass 4/3*

House File 5
By KNOWLES, CARSTENSEN
and FRAZIER.

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

A BILL FOR

An Act to repeal the tax on moneys and credits except that tax necessary to retire Korean veterans' bonus bonds.

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

1 Section 1. Section four hundred twenty-nine point two
2 (429.2), Code 1962, is hereby amended by striking from line
3 nineteen (19) thereof the words "five mills" and inserting in
4 lieu thereof the words "one mill".

1 Sec. 2. Section four hundred twenty-nine point three
2 (429.3), Code 1962, is hereby repealed and the following
3 enacted in lieu thereof:

4 "The millage tax provided for in section four hundred
5 twenty-nine point two (429.2) of the Code shall be and is the
6 same as provided for in section thirty-five B point eleven
7 (35B.11) of the Code and shall not be levied in addition
8 thereto. The millage rate shall be remitted to the treasurer
9 of state and applied to the payment of principal and interest
10 of the Korean War Veterans' bonus bond."

EXPLANATION OF HOUSE FILE 5

The moneys and credits tax is an outdated tax which should have been repealed when the state income tax was passed.

There is much confusion as to what is taxable and the average taxpayer cannot make this determination.

This bill will encourage the growth of Iowa by keeping retired people who are good profitable taxpayers in Iowa. These people are leaving the state because in addition to their real estate, sales and income tax, they must pay moneys and credits tax on their pension funds, annuities and investments.