

February 19, 1963.
Ways and Means.

House File 294
By STANLEY, HAGIE, STEELE,
and PRINE.

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

A BILL FOR

An Act to amend chapter four hundred twenty-two (422), Code 1962, so as to provide certain credits to individual taxpayers against corporate taxes on income represented by dividends paid to the individual taxpayer.

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

- 1 Section 1. Chapter four hundred twenty-two (422), Code
- 2 1962, is amended by inserting therein, the following new
- 3 section:
- 4 "Sec. 422.11. Credit on tax. A Credit shall be allowed
- 5 against the amount of tax computed to be due and payable
- 6 under this division, to the extent of the tax which has been
- 7 assessed against and paid by a corporation under division III
- 8 of this chapter on income which is represented by dividends on
- 9 stock in said corporation, received by the taxpayer and included
- 10 in his gross income within the tax year; provided, that when
- 11 only part of the income of any corporation shall have been assessed
- 12 and income tax paid under said division, only a corresponding
- 13 amount of tax shall be deducted; and provided, further,
- 14 that such corporation has reported the name and address
- 15 of each person owning stock and the amount of dividends
- 16 paid each such person during the year."

EXPLANATION OF HOUSE FILE 294

This bill provides a credit to individual taxpayers against corporate tax on income, which has been paid and which was previously in the law. This bill is an exact duplication of former section 422.11, which was repealed by the 56th General Assembly. It is equitable to restore this tax credit to individual taxpayers. This bill would reduce the double taxation of income which now exists.