

JAN 14 2002
WAYS AND MEANS

HOUSE FILE 2022
BY OSTERHAUS

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

A BILL FOR

1 An Act eliminating the individual income tax deduction for
2 federal income taxes paid and including a retroactive
3 applicability date provision.

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

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2022

1 Section 1. Section 422.9, subsection 1, Code Supplement
2 2001, is amended to read as follows:

3 1. An optional standard deduction, after deduction of
4 federal income tax, equal to one thousand two hundred thirty
5 dollars for a married person who files separately or a single
6 person or equal to three thousand thirty dollars for a husband
7 and wife who file a joint return, a surviving spouse, or an
8 unmarried head of household. The optional standard deduction
9 shall not exceed the amount remaining after deduction of the
10 federal income tax. The amount of federal income taxes
11 deducted shall not exceed the amount as computed under
12 subsection 2, paragraph "b".

13 Sec. 2. Section 422.9, subsection 2, paragraph b, Code
14 Supplement 2001, is amended by striking the paragraph and
15 inserting in lieu thereof the following:

16 b. Add the amount of federal income taxes paid or accrued,
17 as the case may be, to the extent the federal tax payment is
18 for a tax year beginning prior to January 1, 2002. Subtract
19 the amount of federal income tax refunds received in a tax
20 year to the extent that the federal income tax was deducted on
21 an Iowa individual income tax return for a tax year beginning
22 prior to January 1, 2002.

23 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
24 retroactively to January 1, 2002, for tax years beginning on
25 or after that date.

26 EXPLANATION

27 This bill eliminates the deduction for federal income taxes
28 under the individual income tax, although federal income tax
29 paid for any prior tax year beginning before January 1, 2002,
30 may still be deducted. Federal income tax refunds received in
31 a tax year will be reported on the Iowa return to the extent
32 the tax refund was deducted on a prior Iowa return for a tax
33 year beginning prior to January 1, 2002.

34 The bill applies retroactively to January 1, 2002, for tax
35 years beginning on or after that date.