

FEB 14 2002  
WAYS AND MEANS

HOUSE FILE 2348  
BY JOCHUM

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

**A BILL FOR**

1 An Act requiring reviews of certain tax exemptions, deductions,  
2 and credits to determine if the desired results have been  
3 achieved and including an effective date.

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

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HF 2348

1 Section 1. NEW SECTION. 421.62 PERFORMANCE-BASED TAX  
2 POLICY.

3 1. This section shall be known and may be cited as the  
4 "Performance-Based Tax Policy Act".

5 2. Subject to the requirements of subsection 3, the  
6 legislative fiscal bureau shall review each tax exemption,  
7 deduction, and credit enacted by the general assembly on or  
8 after the effective date of this Act to measure the extent to  
9 which the desired result for the enactment of that tax  
10 exemption, deduction, or credit has been achieved. The  
11 legislative fiscal bureau shall conduct the review and file a  
12 report with the general assembly on its findings after the  
13 first three tax years or fiscal years, as appropriate,  
14 following the applicability date of the tax exemption,  
15 deduction, or credit.

16 3. Subsection 2 shall only apply if the Act enacting the  
17 tax exemption, deduction, or credit contains a description of  
18 the desired result and specifies that this section applies to  
19 that exemption, deduction, or credit.

20 Sec. 2. EFFECTIVE DATE. This Act, being deemed of  
21 immediate importance, takes effect upon enactment.

22 EXPLANATION

23 This bill provides that for tax exemptions, deductions, and  
24 credits enacted on or after the effective date of this bill,  
25 the legislative fiscal bureau shall review them to determine  
26 to what extent the desired result for their enactment has been  
27 achieved. This review shall be made after the first three tax  
28 years or fiscal years following the applicability date of the  
29 tax exemptions, deductions, or credits. However, this review  
30 shall only be conducted if the Act enacting the tax exemption,  
31 deduction, or credit contains a description of the desired  
32 result and specifies that such review shall be conducted.

33 The bill takes effect upon enactment.

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