

FILED JUN 25 1971

SENATE FILE
BY REHBERG

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

A BILL FOR

1 An Act relating to the treatment of corporate dividends under the
2 corporate income and franchise taxes and including a
3 retroactive applicability date provision.

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

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WAYS & MEANS

1 Section 1. Section 422.35, Code 2001, is amended by adding
2 the new subsection:

3 NEW SUBSECTION. 18. Subtract the amount of dividends, as
4 defined in section 316 of the Internal Revenue Code, paid to
5 the taxpayer's shareholders.

6 Sec. 2. APPLICABILITY. This Act applies retroactively to
7 January 1, 2001, for tax years beginning on or after that
8 date.

9 EXPLANATION

10 This bill allows a deduction for dividends paid to a
11 corporation's shareholders under the state corporate income
12 and franchise taxes (see Code section 422.61(3)). Dividends
13 are distributions made by a corporation out of its earnings
14 and profits.

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