

WAYS & MEANS  
FILED JAN 29 '03

SENATE FILE 86  
BY REHBERG, BEHN, KING,  
and SCHUERER

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

A BILL FOR

1 An Act increasing the tuition tax credit under the individual  
2 income tax and including a retroactive applicability date  
3 provision.

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

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1 Section 1. Section 422.12, subsection 2, unnumbered  
2 paragraph 1, Code 2001, is amended to read as follows:

3 A tuition tax credit equal to ~~twenty-five~~ fifty percent of  
4 the first one thousand dollars which the taxpayer has paid to  
5 others for each dependent in grades kindergarten through  
6 twelve, for tuition and textbooks of each dependent in  
7 attending an elementary or secondary school situated in Iowa,  
8 which school is accredited or approved under section 256.11,  
9 which is not operated for profit, and which adheres to the  
10 provisions of the federal Civil Rights Act of 1964 and chapter  
11 216. As used in this subsection, "textbooks" means books and  
12 other instructional materials and equipment used in elementary  
13 and secondary schools in teaching only those subjects legally  
14 and commonly taught in public elementary and secondary schools  
15 in this state and does not include instructional books and  
16 materials used in the teaching of religious tenets, doctrines,  
17 or worship, the purpose of which is to inculcate those tenets,  
18 doctrines, or worship. "Textbooks" includes books or  
19 materials used for extracurricular activities including  
20 sporting events, musical or dramatic events, speech  
21 activities, driver's education, or programs of a similar  
22 nature. Notwithstanding any other provision, all other  
23 credits allowed under this section and section 422.12B shall  
24 be deducted before the tuition tax credit under this  
25 subsection. The department, when conducting an audit of a  
26 taxpayer's return, shall also audit the tuition tax credit  
27 portion of the tax return.

28 Sec. 2. APPLICABILITY DATE. This Act applies  
29 retroactively to January 1, 2001, for tax years beginning on  
30 or after that date.

31 EXPLANATION

32 This bill increases the tuition tax credit from 25 percent  
33 to 50 percent of the first \$1,000 paid to others for each  
34 dependent in grades K-12 for tuition and textbooks.

35 The bill applies retroactively to January 1, 2001, for tax

1 years beginning on or after that date.

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