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SENATE FILE 507
BY CONNOLLY

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

A BILL FOR

1 An Act relating to funding for the arts by providing an Iowa
2 individual income tax checkoff for the arts, making an
3 appropriation, and providing a retroactive applicability date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 507
WAYS & MEANS

1 Section 1. NEW SECTION. 422.12A INCOME TAX CHECKOFF FOR
2 THE ARTS.

3 1. A person who files an individual or a joint income tax
4 return with the department of revenue and finance under
5 section 422.13 may designate one dollar or more to be paid to
6 the Iowa arts checkoff fund as created in the arts division of
7 the department of cultural affairs. If the refund due on the
8 return or the payment remitted with the return is insufficient
9 to pay the amount designated by the taxpayer to the Iowa arts
10 checkoff fund, the amount designated shall be reduced to the
11 remaining amount of the refund or the remaining amount
12 remitted with the return. The designation of a contribution
13 to the Iowa arts checkoff fund is irrevocable.

14 2. The director of revenue and finance shall draft the
15 income tax form to allow for the designation of contributions
16 to the Iowa arts checkoff fund on the tax return. The
17 department of revenue and finance, on or before January 31,
18 shall transfer the total amount designated on the tax form due
19 in the preceding year to the Iowa arts checkoff fund.
20 However, before a checkoff pursuant to this section shall be
21 permitted, all liabilities on the books of the department of
22 revenue and finance and accounts identified as owing under
23 section 421.17 and the political contribution allowed under
24 section 56.18 shall be satisfied.

25 3. The department of cultural affairs shall create the
26 Iowa arts checkoff fund in the arts division of the
27 department. Moneys in the fund are appropriated to the arts
28 division of the department for purposes of supporting arts
29 division activities and programming.

30 4. The department shall adopt rules to administer this
31 section.

32 5. The limitation on income tax return checkoffs specified
33 in section 422.12E, does not apply to this checkoff.

34 Sec. 2. Section 422.12E, Code 2001, is amended to read as
35 follows:

1 422.12E INCOME TAX RETURN CHECKOFFS LIMITED.

2 For tax years beginning on or after January 1, 1995, there
3 shall be allowed no more than three income tax return
4 checkoffs on each income tax return. When the same three
5 income tax return checkoffs have been provided on the income
6 tax return for three consecutive years, the checkoff for which
7 the least amount has been contributed, in the aggregate for
8 the first two tax years and through March 15 of the third tax
9 year, ~~shall be~~ is repealed. This section does not apply to
10 the income tax return ~~checkoff~~ checkoffs provided in ~~section~~
11 sections 56.18 and 422.12A.

12 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
13 retroactively to January 1, 2001, for tax years beginning on
14 or after that date.

15 EXPLANATION

16 This bill provides that taxpayers filing individual income
17 tax returns will be allowed to designate \$1 or more on the
18 return to be paid to the Iowa arts checkoff fund. The bill
19 requires the department of revenue and finance to annually
20 remit moneys collected from the checkoff to a fund created in
21 the arts division of the department of cultural affairs, which
22 moneys are appropriated for arts division activities and
23 programming.

24 The bill also provides that the limitation on the number of
25 checkoffs allowed on the Iowa individual income tax return
26 does not apply to the arts checkoff.

27 The bill applies retroactively to January 1, 2001, for tax
28 years beginning on or after that date.

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