

JAN 1 0 2005
WAYS AND MEANS

HOUSE FILE 23
BY CARROLL

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

A BILL FOR

1 An Act to allow the additional first-year depreciation allowance
2 and the increased expensing allowance which were deductible
3 for a tax year for which a tax return was filed prior to
4 September 7, 2004, to be deducted on the return filed for the
5 subsequent tax year and including an effective date provision.

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

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1 Section 1. SPECIAL FILING PROVISIONS. Adjustments to
2 federal adjusted gross income for individuals and federal
3 taxable income for corporations made on previous tax returns
4 filed prior to September 7, 2004, may be required. These
5 adjustments relate to the disallowance of both the additional
6 fifty percent first-year depreciation allowance authorized in
7 section 168(k) of the Internal Revenue Code for assets
8 acquired after May 5, 2003, and before January 1, 2005, and
9 the increase in the expensing allowance authorized in section
10 179(b) of the Internal Revenue Code for tax periods beginning
11 on or after January 1, 2003. In lieu of filing an amended tax
12 return, taxpayers may make these adjustments, pursuant to
13 rules adopted by the director, on the next return filed
14 subsequent to September 6, 2004.

15 Sec. 2. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.
16 This Act, being deemed of immediate importance, takes effect
17 upon enactment.

18 EXPLANATION

19 This bill allows a taxpayer that was eligible, under the
20 individual or corporate income tax, for the additional first-
21 year (bonus) depreciation allowance or the increased expensing
22 allowance for a tax year for which an income tax return for
23 that tax year was filed prior to September 7, 2004, to elect,
24 in lieu of filing an amended return, to take the bonus
25 depreciation allowance or increased expensing allowance in the
26 taxpayer's subsequent tax year. The amount of the deduction
27 and any other adjustment as a result of this deduction is to
28 be computed pursuant to rules adopted by the director of
29 revenue.

30 The bill takes effect upon enactment.

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