

JAN 13 2006
Agriculture

HOUSE FILE 2052
BY S. OLSON

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

A BILL FOR

1 An Act providing an income tax deduction for the purchase of an
2 automobile that operates on E-85 gasoline and including
3 retroactive and applicability date provisions.

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

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HF 2052

1 Section 1. Section 422.7, Code Supplement 2005, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 45. Subtract two thousand dollars for
4 each new motor vehicle, as defined in section 321.1, purchased
5 during the tax year which is a 2005 or subsequent model year,
6 which is to be used primarily for nonbusiness purposes, and
7 which is capable of being operated on E-85 gasoline that
8 contains eighty-five percent denatured alcohol by volume.

9 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies
10 retroactively to tax years beginning on or after January 1,
11 2006.

12 EXPLANATION

13 This bill allows a \$2,000 deduction under the individual
14 income tax for each new motor vehicle purchased which is a
15 2005 or subsequent model year, is primarily used for
16 nonbusiness purposes, and is propelled by E-85 gasoline.

17 The bill applies retroactively to January 1, 2006, for tax
18 years beginning on or after that date.

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