

FEB 7 2006
WAYS AND MEANS

HOUSE FILE 2261
BY FREVERT

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

A BILL FOR

1 An Act allowing an individual income tax deduction for dentists
2 who receive state medical assistance reimbursement which is
3 less than their normal fee and including a retroactive
4 applicability date provision.

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

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HF 2261

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

3 NEW SUBSECTION. 45. If the taxpayer is a provider of
4 dental services under the medical assistance program and the
5 rate of reimbursement for such dental services is less than
6 the taxpayer normally charges for such dental services,
7 subtract fifty percent of the difference between the amount
8 normally charged and the reimbursement rate for each dental
9 service provided which is reimbursed under the medical
10 assistance program.

11 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies
12 retroactively to January 1, 2006, for tax years beginning on
13 or after that date.

14 EXPLANATION

15 This bill provides a deduction in computing individual
16 income tax to a taxpayer that provides dental services
17 reimbursed under the state medical assistance (Medicaid)
18 program. The amount of the deduction equals 50 percent of the
19 difference between the reimbursement rate and the normal fee
20 charged by the taxpayer for the dental service.

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

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