

MAR 7 2006
WAYS AND MEANS

HOUSE FILE 2683
BY COMMITTEE ON
ECONOMIC GROWTH

(SUCCESSOR TO HF 2309)

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

A BILL FOR

1 An Act relating to certain Iowa individual income tax checkoffs
2 involving community development and fire fighter preparedness,
3 making appropriations, and providing for the Act's retroactive
4 applicability.

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

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HF 2683

1 Section 1. NEW SECTION. 15E.312 COMMUNITY FOUNDATION
2 FUND.

3 1. As used in this section, unless the context otherwise
4 requires:

5 a. "Community affiliate organization" means a community
6 affiliate organization as defined in section 15E.303.

7 b. "Qualified community foundation" means an endow Iowa
8 qualified community foundation as defined in section 15E.303.

9 2. A community foundation fund is created as a separate
10 and distinct fund in the state treasury under the control of
11 the department of economic development.

12 3. Revenue for the community foundation fund shall include
13 but is not limited to the following:

14 a. Moneys credited to the fund pursuant to section
15 422.12G.

16 b. Moneys in the form of a devise, gift, bequest,
17 donation, or federal or other grant intended to be used for
18 the purposes of the fund.

19 4. Moneys in the community foundation fund are not subject
20 to section 8.33. Notwithstanding section 12C.7, subsection 2,
21 interest or earnings on moneys in the fund shall be credited
22 to the fund.

23 5. Moneys in the community foundation fund are
24 appropriated to the department of economic development to be
25 distributed to community affiliate organizations or qualified
26 community foundations.

27 6. The department of economic development shall distribute
28 moneys from the community foundation fund to community
29 affiliate organizations or qualified community foundations in
30 each county in an amount equal to the total dollar amount of
31 moneys credited to the community foundation fund and
32 designated for the specific community affiliate organizations
33 or qualified community foundations as a result of community
34 foundation fund income tax return checkoffs executed under
35 section 422.12G.

1 7. The department of economic development shall establish
2 rules relating to the distribution of nondesignated moneys
3 from the community foundation fund.

4 Sec. 2. Section 100B.13, Code Supplement 2005, is
5 reenacted to read as follows:

6 100B.13 VOLUNTEER FIRE FIGHTER PREPAREDNESS FUND.

7 1. A volunteer fire fighter preparedness fund is created
8 as a separate and distinct fund in the state treasury under
9 the control of the division of state fire marshal of the
10 department of public safety.

11 2. Revenue for the volunteer fire fighter preparedness
12 fund shall include but is not limited to the following:

13 a. Moneys credited to the fund pursuant to section
14 422.12F.

15 b. Moneys in the form of a devise, gift, bequest,
16 donation, or federal or other grant intended to be used for
17 the purposes of the fund.

18 3. Moneys in the volunteer fire fighter preparedness fund
19 are not subject to section 8.33. Notwithstanding section
20 12C.7, subsection 2, interest or earnings on moneys in the
21 fund shall be credited to the fund.

22 4. Moneys in the volunteer fire fighter preparedness fund
23 are appropriated to the division of state fire marshal of the
24 department of public safety to be used annually to pay the
25 costs of providing volunteer fire fighter training around the
26 state and to pay the costs of providing volunteer fire
27 fighting equipment.

28 Sec. 3. Section 422.12F, Code 2005, is reenacted to read
29 as follows:

30 422.12F INCOME TAX CHECKOFF FOR VOLUNTEER FIRE FIGHTER
31 PREPAREDNESS.

32 1. A person who files an individual or a joint income tax
33 return with the department of revenue under section 422.13 may
34 designate one dollar or more to be paid to the volunteer fire
35 fighter preparedness fund as created in section 100B.13. If

1 the refund due on the return or the payment remitted with the
2 return is insufficient to pay the additional amount designated
3 by the taxpayer to the volunteer fire fighter preparedness
4 fund, the amount designated shall be reduced to the remaining
5 amount of the refund or the remaining amount remitted with the
6 return. The designation of a contribution to the volunteer
7 fire fighter preparedness fund under this section is
8 irrevocable.

9 2. The director of revenue shall draft the income tax form
10 to allow the designation of contributions to the volunteer
11 fire fighter preparedness fund on the tax return. The
12 department of revenue, on or before January 31, shall certify
13 the total amount designated on the tax return forms due in the
14 preceding calendar year and shall report the amount to the
15 treasurer of state. The treasurer of state shall credit the
16 amount to the volunteer fire fighter preparedness fund.
17 However, before a checkoff pursuant to this section shall be
18 permitted, all liabilities on the books of the department of
19 revenue and accounts identified as owing under section 421.17
20 and the political contribution allowed under section 68A.601
21 shall be satisfied.

22 3. The department of revenue shall adopt rules to
23 administer this section.

24 4. This section is subject to repeal under section
25 422.12E.

26 Sec. 4. NEW SECTION. 422.12G INCOME TAX CHECKOFF FOR
27 COMMUNITY FOUNDATION FUND.

28 1. A person who files an individual or a joint income tax
29 return with the department of revenue under section 422.13 may
30 designate one dollar or more to be credited to the community
31 foundation fund created in section 15E.312 and paid to a
32 specific community affiliate organization or qualified
33 community foundation. If the refund due on the return or the
34 payment remitted with the return is insufficient to pay the
35 additional amount designated by the taxpayer to the community

1 foundation fund, the amount designated shall be reduced to the
2 remaining amount of the refund or the remaining amount
3 remitted with the return. The designation of a contribution
4 to the community foundation fund under this section is
5 irrevocable.

6 2. The director of revenue shall draft the income tax form
7 to allow the designation of contributions to the community
8 foundation fund on the tax return. The department of revenue,
9 on or before January 31, shall transfer the total amount
10 designated on the tax return forms due in the preceding
11 calendar year to the community foundation fund created in
12 section 15E.312. However, before a checkoff pursuant to this
13 section shall be permitted, all liabilities on the books of
14 the department of revenue and accounts identified as owing
15 under section 421.17 and the political contribution allowed
16 under section 68A.601 shall be satisfied.

17 3. The department of revenue shall adopt rules to
18 administer this section.

19 4. This section is subject to repeal under section
20 422.12E.

21 Sec. 5. IMPLEMENTATION. The checkoff created in this Act
22 shall be eligible for placement on the individual income tax
23 return form beginning for the tax year commencing January 1,
24 2006.

25 Sec. 6. RETROACTIVE APPLICABILITY. The sections of this
26 Act enacting section 15E.312 and 422.12G and reenacting
27 section 422.12F apply retroactively to the tax year commencing
28 January 1, 2006.

29 EXPLANATION

30 This bill creates the community foundation fund under the
31 control of the department of economic development. Moneys in
32 the fund are appropriated to the department of economic
33 development.

34 The bill also creates a community foundation fund income
35 tax checkoff. Moneys collected from the checkoff are to be

1 credited to the fund and then distributed to community
2 affiliate organizations or qualified community foundations.
3 Moneys in the fund are distributed to community affiliate
4 organizations or qualified community foundations as designated
5 by taxpayers as a result of community foundation fund
6 checkoffs.

7 The bill provides that the limitation on the number of
8 checkoffs allowed on the Iowa individual income tax return
9 does apply to the community foundation fund checkoff.

10 The bill also reenacts the volunteer fire fighter
11 preparedness income tax checkoff which is currently subject to
12 automatic repeal under Code section 422.12E. The bill
13 provides that taxpayers filing individual income tax returns
14 will be allowed to designate \$1 or more on the return to be
15 paid to the volunteer fire fighter preparedness fund. The
16 bill requires the department of revenue to annually remit
17 moneys collected from the checkoff to the volunteer fire
18 fighter preparedness fund created in the office of the
19 treasurer of state. Moneys in the fund are appropriated to
20 the division of state fire marshal of the department of public
21 safety to be used annually to pay the costs of providing
22 volunteer fire fighter training in the state and to pay the
23 costs of providing volunteer fire fighter equipment. The bill
24 provides that the volunteer fire fighter preparedness checkoff
25 is subject to the limitation of the number of checkoffs
26 allowed on the Iowa individual income tax return and, for that
27 reason, is subject to future repeal.

28 The bill provides that the Code sections of the bill
29 enacting the community foundation fund and the community
30 foundation fund checkoff apply retroactively to the tax year
31 commencing January 1, 2006. The bill also provides that the
32 Code section of the bill reenacting the fire fighter
33 preparedness checkoff applies retroactively to the tax year
34 commencing January 1, 2006.

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