



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8408

PAG LIN

1 1 Amend Senate File 2367, as amended, passed, and
1 2 reprinted by the Senate, as follows:
1 3 #1. Page 26, after line 17 by inserting:
1 4 <DIVISION ____
1 5 ALCOHOLIC BEVERAGES DIVISION == HIGH ALCOHOLIC CONTENT
1 6 BEER
1 7 Sec. ____ . NEW SECTION. 123.126 High alcoholic
1 8 content beer.
1 9 Unless otherwise provided by this chapter, the
1 10 provisions of this chapter applicable to beer shall
1 11 also apply to high alcoholic content beer.
1 12 Sec. ____ . EFFECTIVE UPON ENACTMENT AND RETROACTIVE
1 13 APPLICABILITY. This division of this Act, being deemed
1 14 of immediate importance, takes effect upon enactment
1 15 and applies retroactively to March 10, 2010.>
1 16 #2. By renumbering as necessary.

LENSING of Johnson
SF2367.2110 (2) 83
ec/tm



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8409

PAG LIN

1 1 Amend House File 2229 as follows:
1 2 #1. Page 1, by striking lines 10 through 14 and
1 3 inserting <network to a dental plan that sets fees for
1 4 dental services that are not covered services.>
1 5 #2. Page 1, after line 21 by inserting:
1 6 <4. Nothing in this section shall be construed as
1 7 limiting the ability of an insurer or a third-party
1 8 administrator to restrict any of the following as they
1 9 relate to covered services:
1 10 a. Balance billing.
1 11 b. Waiting periods.
1 12 c. Frequency limitations.
1 13 d. Deductibles.
1 14 e. Maximum annual benefits.>
HF2229.2114.S (2) 83



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8410

PAG LIN

1 1 Amend House File 777, as amended, passed, and
1 2 reprinted by the House, as follows:
1 3 #1. By striking everything after the enacting clause
1 4 and inserting:
1 5 <Section 1. Section 21.6, subsection 3, paragraph
1 6 d, Code 2009, is amended to read as follows:
1 7 d. Shall issue an order removing a member of a
1 8 governmental body from office if that member has
1 9 engaged in a prior violation of this chapter for which
1 10 damages were assessed against the member during the
1 11 member's term. In making this determination, the court
1 12 shall recognize violations for which damages were
1 13 assessed by the Iowa public information board created
1 14 in section 23.3.
1 15 Sec. 2. Section 22.10, subsection 3, paragraph d,
1 16 Code 2009, is amended to read as follows:
1 17 d. Shall issue an order removing a person from
1 18 office if that person has engaged in a prior violation
1 19 of this chapter for which damages were assessed against
1 20 the person during the person's term. In making this
1 21 determination, the court shall recognize violations
1 22 for which damages were assessed by the Iowa public
1 23 information board created in section 23.3.
1 24 Sec. 3. NEW SECTION. 23.1 Citation and purpose.
1 25 This chapter may be cited as the "Iowa Public
1 26 Information Board Act". The purpose of this chapter
1 27 is to provide an alternative means by which to secure
1 28 compliance with and enforcement of the requirements of
1 29 chapters 21 and 22 through the provision by the Iowa
1 30 public information board to all interested parties of
1 31 an efficient, informal, and cost-effective process for
1 32 resolving disputes.
1 33 Sec. 4. NEW SECTION. 23.2 Definitions.
1 34 1. "Board" means the Iowa public information board
1 35 created in section 23.3.
1 36 2. "Complainant" means a person who files a
1 37 complaint with the board.
1 38 3. "Complaint" means a written and signed document
1 39 filed with the board alleging a violation of chapter
1 40 21 or 22.
1 41 4. "Custodian" means a government body, government
1 42 official, or government employee designated as the
1 43 lawful custodian of a government record pursuant to
1 44 section 22.1.
1 45 5. "Government body" means the same as defined in
1 46 section 22.1.
1 47 6. "Person" means an individual, partnership,
1 48 association, corporation, legal representative,
1 49 trustee, receiver, custodian, government body, or
1 50 official, employee, agency, or political subdivision of



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8410 continued

2 1 this state.
2 2 7. "Respondent" means any agency or other unit
2 3 of state or local government, custodian, government
2 4 official, or government employee who is the subject of
2 5 a complaint.
2 6 Sec. 5. NEW SECTION. 23.3 Board appointed.
2 7 1. An Iowa public information board is created
2 8 consisting of five members appointed by the governor,
2 9 subject to confirmation by the senate. Membership
2 10 shall be balanced as to political affiliation as
2 11 provided in section 69.16 and gender as provided in
2 12 section 69.16A. Members appointed to the board shall
2 13 serve staggered, four-year terms, beginning and ending
2 14 as provided by section 69.19. A quorum shall consist
2 15 of three members.
2 16 2. A vacancy on the board shall be filled by the
2 17 governor by appointment for the unexpired part of the
2 18 term. A board member may be removed from office by the
2 19 governor for good cause. The board shall select one
2 20 of its members to serve as chair and shall employ a
2 21 director who shall serve as the executive officer of
2 22 the board.
2 23 Sec. 6. NEW SECTION. 23.4 Compensation and
2 24 expenses.
2 25 Board members shall be paid a per diem as specified
2 26 in section 7E.6 and shall be reimbursed for actual and
2 27 necessary expenses incurred while on official board
2 28 business. Per diem and expenses shall be paid from
2 29 funds appropriated to the board.
2 30 Sec. 7. NEW SECTION. 23.5 Election of remedies.
2 31 1. An aggrieved person, any taxpayer to or citizen
2 32 of this state, the attorney general, or any county
2 33 attorney may seek enforcement of the requirements of
2 34 chapters 21 and 22 by electing either to file an action
2 35 pursuant to section 17A.19, 21.6, or 22.10, whichever
2 36 is applicable, or in the alternative, to file a timely
2 37 complaint with the board.
2 38 2. If more than one person seeks enforcement of
2 39 chapter 21 or 22 with respect to the same incident
2 40 involving an alleged violation, and one or more of
2 41 such persons elects to do so by filing an action under
2 42 section 17A.19, 21.6, or 22.10 and one or more of such
2 43 persons elects to do so by filing a timely complaint
2 44 with the board, the court in which the action was filed
2 45 shall dismiss the action without prejudice, authorizing
2 46 the complainant to file a complaint with respect to
2 47 the same incident with the board without regard to the
2 48 timeliness of the filing of the complaint at the time
2 49 the action in court is dismissed.
2 50 3. If a person files an action pursuant to section



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8410 continued

3 1 22.8 seeking to enjoin the inspection of a public
3 2 record, the respondent or person requesting access to
3 3 the record which is the subject of the request for
3 4 injunction may remove the proceeding to the board for
3 5 its determination by filing, within thirty days of the
3 6 commencement of the judicial proceeding, a complaint
3 7 with the board alleging a violation of chapter 22 in
3 8 regard to the same matter.
3 9 Sec. 8. NEW SECTION. 23.6 Board powers and duties.
3 10 The board shall have all of the following powers and
3 11 duties:
3 12 1. Employ such employees as are necessary to
3 13 execute its authority, including administrative law
3 14 judges, and attorneys to prosecute respondents in
3 15 proceedings before the board and to represent the board
3 16 in proceedings before a court. Notwithstanding section
3 17 8A.412, all of the board's employees, except for the
3 18 executive director and attorneys, shall be employed
3 19 subject to the merit system provisions of chapter 8A,
3 20 subchapter IV.
3 21 2. Adopt rules with the force of law pursuant to
3 22 chapter 17A calculated to implement, enforce, and
3 23 interpret the requirements of chapters 21 and 22 and to
3 24 implement any authority delegated to the board by this
3 25 chapter.
3 26 3. Issue, consistent with the requirements of
3 27 section 17A.9, declaratory orders with the force of law
3 28 determining the applicability of chapter 21 or 22 to
3 29 specified fact situations and issue informal advice to
3 30 any person concerning the applicability of chapters 21
3 31 and 22.
3 32 4. Receive complaints alleging violations of
3 33 chapter 21 or 22, seek resolution of such complaints
3 34 through informal assistance or through mediation and
3 35 settlement, formally investigate such complaints,
3 36 decide after such an investigation whether there is
3 37 probable cause to believe a violation of chapter 21
3 38 or 22 has occurred, and if probable cause has been
3 39 found prosecute the respondent before the board in a
3 40 contested case proceeding conducted according to the
3 41 provisions of chapter 17A.
3 42 5. Request and receive from a government body
3 43 assistance and information as necessary in the
3 44 performance of its duties. The board may examine
3 45 a record of a government body that is the subject
3 46 matter of a complaint, including any record that is
3 47 confidential by law. Confidential records provided
3 48 to the board by a governmental body shall continue
3 49 to maintain their confidential status. Any member or
3 50 employee of the board is subject to the same policies



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

House Amendment 8410 continued

4 1 and penalties regarding the confidentiality of the
4 2 document as an employee of the government body.
4 3 6. Issue subpoenas enforceable in court for the
4 4 purpose of investigating complaints and to facilitate
4 5 the prosecution and conduct of contested cases before
4 6 the board.
4 7 7. After appropriate board proceedings, issue
4 8 orders with the force of law, determining whether there
4 9 has been a violation of chapter 21 or 22, requiring
4 10 compliance with specified provisions of those chapters,
4 11 imposing civil penalties equivalent to and to the same
4 12 extent as those provided for in section 21.6 or 22.10,
4 13 as applicable, on a respondent who has been found in
4 14 violation of chapter 21 or 22, and imposing any other
4 15 appropriate remedies calculated to declare, terminate,
4 16 or remediate any violation of those chapters.
4 17 8. Represent itself in judicial proceedings
4 18 to enforce or defend its orders and rules through
4 19 attorneys on its own staff, through the office of the
4 20 attorney general, or through other attorneys retained
4 21 by the board, at its option.
4 22 9. Make training opportunities available to lawful
4 23 custodians, government bodies, and other persons
4 24 subject to the requirements of chapters 21 and 22 and
4 25 require, in its discretion, appropriate persons who
4 26 have responsibilities in relation to chapters 21 and 22
4 27 to receive periodic training approved by the board.
4 28 10. Disseminate information calculated to inform
4 29 members of the public about the public's right to
4 30 access government information in this state including
4 31 procedures to facilitate this access and including
4 32 information relating to the obligations of government
4 33 bodies under chapter 21 and lawful custodians under
4 34 chapter 22 and other laws dealing with this subject.
4 35 11. Prepare and transmit to the governor and to the
4 36 general assembly, at least annually, reports describing
4 37 complaints received, board proceedings, investigations,
4 38 hearings conducted, decisions rendered, and other work
4 39 performed by the board.
4 40 12. Make recommendations to the governor and the
4 41 general assembly by proposing legislation relating
4 42 to issues involving public access to meetings of a
4 43 governmental body and to records of a government body
4 44 including but not limited to recommendations relating
4 45 to the following issues:
4 46 a. The categorization of government records.
4 47 b. Public employment applications.
4 48 c. Information unduly invading personal privacy
4 49 including personal information on mailing lists and
4 50 opt-in provisions relating to such lists and personal



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8410 continued

5 1 information in confidential personnel records of a
5 2 government body.
5 3 d. Tentative, preliminary, or draft material.
5 4 e. Serial meetings of less than a majority of a
5 5 governmental body.
5 6 f. Definitions of what constitutes a governmental
5 7 body for purposes of chapter 21 and what constitutes a
5 8 government body for purposes of chapter 22.
5 9 13. Aid the general assembly in evaluating the
5 10 impact of legislation affecting public access to
5 11 government information.
5 12 14. Conduct public hearings, conferences,
5 13 workshops, and other meetings as necessary to address
5 14 problems and suggest solutions concerning access to
5 15 government information and proceedings.
5 16 15. Review the collection, maintenance, and use of
5 17 government records by lawful custodians to ensure that
5 18 confidential records and information are handled to
5 19 adequately protect personal privacy interests.
5 20 Sec. 9. NEW SECTION. 23.7 Filing of complaints
5 21 with the board.
5 22 1. The board shall adopt rules with the force
5 23 of law and pursuant to chapter 17A providing for the
5 24 timing, form, content, and means by which any aggrieved
5 25 person, any taxpayer to or citizen of this state,
5 26 the attorney general, or any county attorney may file
5 27 a complaint with the board alleging a violation of
5 28 chapter 21 or 22. The complaint must be filed within
5 29 sixty days from the time the alleged violation occurred
5 30 or the complainant could have become aware of the
5 31 violation with reasonable diligence. All complaints
5 32 filed with the board shall be public records.
5 33 2. All board proceedings in response to the filing
5 34 of a complaint shall be conducted as expeditiously as
5 35 possible.
5 36 3. The board shall not charge a complainant any
5 37 fee in relation to the filing of a complaint, the
5 38 processing of a complaint, or any board proceeding or
5 39 judicial proceeding resulting from the filing of a
5 40 complaint.
5 41 Sec. 10. NEW SECTION. 23.8 Initial processing of
5 42 complaint.
5 43 Upon receipt of a complaint alleging a violation
5 44 of chapter 21 or 22, the board shall do either of the
5 45 following:
5 46 1. Determine that, on its face, the complaint
5 47 is within the board's jurisdiction, appears legally
5 48 sufficient, and could have merit. In such a case the
5 49 board shall accept the complaint, and shall notify the
5 50 parties of that fact in writing.



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8410 continued

6 1 2. Determine that, on its face, the complaint is
6 2 outside its jurisdiction, is legally insufficient, is
6 3 frivolous, is without merit, involves harmless error,
6 4 or relates to a specific incident that has previously
6 5 been finally disposed of on its merits by the board or
6 6 a court. In such a case the board shall decline to
6 7 accept the complaint. If the board refuses to accept a
6 8 complaint, the board shall provide the complainant with
6 9 a written order explaining its reasons for the action.
6 10 Sec. 11. NEW SECTION. 23.9 Informal assistance ==
6 11 mediation and settlement.
6 12 1. After accepting a complaint, the board shall
6 13 promptly work with the parties through its employees
6 14 to reach an informal, expeditious resolution of the
6 15 complaint. If an informal resolution satisfactory to
6 16 the parties cannot be reached, the board or the board's
6 17 designee shall offer the parties an opportunity to
6 18 resolve the dispute through mediation and settlement.
6 19 2. The mediation and settlement process shall
6 20 enable the complainant to attempt to resolve the
6 21 dispute with the aid of a neutral mediator employed and
6 22 selected by the board, in its discretion, from either
6 23 its own staff or an outside source.
6 24 3. Mediation shall be conducted as an informal,
6 25 nonadversarial process and in a manner calculated
6 26 to help the parties reach a mutually acceptable and
6 27 voluntary settlement agreement. The mediator shall
6 28 assist the parties in identifying issues and shall
6 29 foster joint problem solving and the exploration of
6 30 settlement alternatives.
6 31 Sec. 12. NEW SECTION. 23.10 Enforcement.
6 32 1. If any party declines mediation or settlement or
6 33 if mediation or settlement fails to resolve the matter
6 34 to the satisfaction of all parties, the board shall
6 35 initiate a formal investigation concerning the facts
6 36 and circumstances set forth in the complaint. The
6 37 board shall, after an appropriate investigation, make
6 38 a determination as to whether the complaint is within
6 39 the board's jurisdiction and whether there is probable
6 40 cause to believe that the facts and circumstances
6 41 alleged in the complaint constitute a violation of
6 42 chapter 21 or 22.
6 43 2. If the board finds the complaint is outside the
6 44 board's jurisdiction or there is no probable cause to
6 45 believe there has been a violation of chapter 21 or 22,
6 46 the board shall issue a written order explaining the
6 47 reasons for the board's conclusions and dismissing the
6 48 complaint, and shall transmit a copy to the complainant
6 49 and to the party against whom the complaint was filed.
6 50 3. a. If the board finds the complaint is within



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8410 continued

7 1 the board's jurisdiction and there is probable cause
7 2 to believe there has been a violation of chapter 21
7 3 or 22, the board shall issue a written order to that
7 4 effect and shall commence a contested case proceeding
7 5 under chapter 17A against the respondent. An attorney
7 6 selected by the director of the board shall prosecute
7 7 the respondent in the contested case proceeding. At
7 8 the termination of the contested case proceeding the
7 9 board shall, by a majority vote of its members, render
7 10 a final decision as to the merits of the complaint. If
7 11 the board finds that the complaint has merit, the board
7 12 may issue any appropriate order to ensure enforcement
7 13 of chapter 21 or 22 including but not limited to
7 14 an order requiring specified action or prohibiting
7 15 specified action and any appropriate order to remedy
7 16 any failure of the respondent to observe any provision
7 17 of those chapters.

7 18 b. If the board determines, by a majority vote of
7 19 its members, that the respondent has violated chapter
7 20 21 or 22, the board may also do any or all of the
7 21 following:

7 22 (1) Require the respondent to pay damages as
7 23 provided for in section 21.6 or 22.10, whichever is
7 24 applicable, to the extent that provision would make
7 25 such damages payable if the complainant had sought to
7 26 enforce a violation in court instead of through the
7 27 board.

7 28 (2) Void any action taken in violation of chapter
7 29 21 if a court would be authorized to do so in similar
7 30 circumstances pursuant to section 21.6.

7 31 c. The board shall not have the authority to remove
7 32 a person from public office for a violation of chapter
7 33 21 or 22. The board may file an action under chapter
7 34 21 or 22 to remove a person from office for violations
7 35 that would subject a person to removal under those
7 36 chapters.

7 37 d. A final board order resulting from such
7 38 proceedings may be enforced by the board in court
7 39 and is subject to judicial review pursuant to section
7 40 17A.19.

7 41 Sec. 13. NEW SECTION. 23.11 Defenses in a
7 42 contested case proceeding.

7 43 A respondent may defend against a proceeding before
7 44 the board charging a violation of chapter 21 or 22
7 45 on the ground that if such a violation occurred it
7 46 was only harmless error or that clear and convincing
7 47 evidence demonstrated that grounds existed to justify
7 48 a court to issue an injunction against disclosure
7 49 pursuant to section 22.8.

7 50 Sec. 14. NEW SECTION. 23.12 Jurisdiction.



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8410 continued

8 1 The board shall not have jurisdiction over the
8 2 judicial or legislative branches of state government or
8 3 any entity, officer, or employee of those branches, or
8 4 over the governor or the office of the governor.
8 5 Sec. 15. IOWA PUBLIC INFORMATION BOARD ==
8 6 TRANSITION PROVISIONS.
8 7 1. The initial members of the Iowa public
8 8 information board established pursuant to this Act
8 9 shall be appointed by September 1, 2010.
8 10 2. Notwithstanding any provision of this Act to the
8 11 contrary, the director of the board and employees of
8 12 the board shall not be hired prior to July 1, 2011.
8 13 3. Prior to January 15, 2011, the board shall
8 14 submit a report to the governor and the general
8 15 assembly. The report shall include a job description
8 16 for the executive director of the board, goals for
8 17 board operations, and performance measures to measure
8 18 achievement of the board's goals.
8 19 Sec. 16. IOWA PUBLIC INFORMATION BOARD ==
8 20 CONTINGENT FUNDING. Implementation of the Iowa public
8 21 information board is contingent upon the receipt of
8 22 funding by the department of management by August 15,
8 23 2010, sufficient to cover the initial expenses of the
8 24 board. The department of management may seek and
8 25 receive grants and outside funding to fund the initial
8 26 expenses of the board.
8 27 Sec. 17. EFFECTIVE DATE. Except for the section
8 28 of this Act establishing transition provisions for the
8 29 Iowa public information board, this Act takes effect
8 30 July 1, 2011.>
8 31 #2. Title page, by striking lines 1 through 3
8 32 and inserting: <An Act creating the Iowa public
8 33 information board and providing an effective date.>
HF777.2100.S (2) 83



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

House Amendment 8411

PAG LIN

1 1 Amend the House amendment, S=5163, to Senate File
 1 2 2345, as passed by the Senate, as follows:
 1 3 #1. Page 1, after line 42 by inserting:
 1 4 <___. Page 4, after line 9 by inserting:
 1 5 Sec. ___. Section 901.4, Code 2009, is amended to
 1 6 read as follows:
 1 7 901.4 Presentence investigation report confidential ==
 1 8 access.
 1 9 The presentence investigation report is confidential
 1 10 and the court shall provide safeguards to ensure its
 1 11 confidentiality, including but not limited to sealing
 1 12 the report, which may be opened only by further court
 1 13 order. The defendant's attorney and the attorney
 1 14 for the state shall have access to the presentence
 1 15 investigation report at least three days prior to the
 1 16 date set for sentencing. The defendant's appellate
 1 17 attorney and the appellate attorney for the state shall
 1 18 have access to the presentence investigation report
 1 19 upon request and without the necessity of a court
 1 20 order. The report shall remain confidential except
 1 21 upon court order. However, the court may conceal
 1 22 the identity of the person who provided confidential
 1 23 information. The report of a medical examination
 1 24 or psychological or psychiatric evaluation shall be
 1 25 made available to the attorney for the state and to
 1 26 the defendant upon request. The reports are part of
 1 27 the record but shall be sealed and opened only on
 1 28 order of the court. If the defendant is committed
 1 29 to the custody of the Iowa department of corrections
 1 30 and is not a class "A" felon, the department and the
 1 31 board of parole shall have access to the presentence
 1 32 investigation report. Pursuant to section 904.602, the
 1 33 presentence investigation report may also be released
 1 34 by ordinary or electronic mail by the department
 1 35 of corrections or a judicial district department
 1 36 of correctional services to another jurisdiction
 1 37 for the purpose of providing interstate probation
 1 38 and parole compact or interstate compact for adult
 1 39 offender supervision services or evaluations, or to a
 1 40 substance abuse or mental health services provider when
 1 41 referring a defendant for services. The defendant or
 1 42 the defendant's attorney may file with the presentence
 1 43 investigation report, a denial or refutation of the
 1 44 allegations, or both, contained in the report. The
 1 45 denial or refutation shall be included in the report. >>
 1 46 #2. By renumbering as necessary.
 SF2345.2089.S (6) 83



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8412

PAG LIN

1 1 Amend House File 726, as passed by the House, as
1 2 follows:
1 3 #1. Page 19, line 17, after <Code> by inserting
1 4 <Supplement>
1 5 #2. Page 19, line 29, after <Code> by inserting
1 6 <Supplement>
1 7 #3. Page 20, line 1, after <Code> by inserting
1 8 <Supplement>
1 9 #4. Page 22, line 12, before <unincorporated> by
1 10 inserting <authorized>
1 11 #5. Page 22, line 20, before <unincorporated> by
1 12 inserting <authorized>
1 13 #6. Page 22, line 24, before <unincorporated> by
1 14 inserting <authorized>
1 15 #7. By renumbering as necessary.
HF726.2127.S (5) 83



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8413

PAG LIN

1 1 Amend House File 2294, as passed by the House, as
1 2 follows:
1 3 #1. Page 1, line 6, by striking <administered> and
1 4 inserting <developed>
1 5 #2. Page 1, line 7, after <services> by inserting
1 6 <and administered locally within the designated
1 7 disaster area>
HF2294.2129.S (2) 83



Iowa General Assembly
 Daily Bills, Amendments & Study Bills
 March 11, 2010

House Amendment 8414

PAG LIN

1 1 Amend House File 674, as passed by the House, as
 1 2 follows:
 1 3 #1. Page 1, line 4, before <Any> by inserting <1.>
 1 4 #2. Page 1, by striking line 5 and inserting <who
 1 5 shall>
 1 6 #3. Page 1, by striking lines 21 through 24
 1 7 and inserting <the gunshot or stab wound or other
 1 8 serious injury. ~~Any provision of law or rule of
 1 9 evidence relative to confidential communications is
 1 10 suspended insofar as the provisions of this section are
 1 11 concerned.>~~
 1 12 #4. Page 1, after line 24 by inserting:
 1 13 <2. A person certified under the provisions of
 1 14 chapter 147A who administers any treatment to any
 1 15 person suffering a gunshot or stab wound or other
 1 16 serious injury, as defined in section 702.18, which
 1 17 appears to have been received in connection with
 1 18 the commission of a criminal offense, or a motor
 1 19 vehicle accident or crash, or to whom an application
 1 20 is made for treatment of any nature because of
 1 21 any such gunshot or stab wound or other serious
 1 22 injury, may report that fact to the law enforcement
 1 23 agency within whose jurisdiction the treatment was
 1 24 administered or application for treatment was made,
 1 25 or if ascertainable, to the law enforcement agency
 1 26 in whose jurisdiction the gunshot or stab wound or
 1 27 other serious injury occurred, stating the name of the
 1 28 person, the person's residence if ascertainable, and
 1 29 giving a brief description of the gunshot or stab wound
 1 30 or other serious injury.
 1 31 3. Any provision of law or rule of evidence
 1 32 relating to a confidential communication is suspended
 1 33 for communications under this section.>

HF674.2097.S.2 (6) 83



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Amendment 8415

PAG LIN

1 1 Amend Senate File 2366, as amended, passed, and
1 2 reprinted by the Senate, as follows:
1 3 #1. Page 7, after line 1 by inserting:
1 4 <Notwithstanding section 8.33, moneys appropriated
1 5 in this subsection that remain unencumbered or
1 6 unobligated at the close of the fiscal year shall not
1 7 revert but shall remain available for expenditure
1 8 for the purposes designated until the close of the
1 9 succeeding fiscal year. For the purposes of section
1 10 28.8, subsection 5, and section 256I.9, subsection
1 11 4, paragraph "e", as enacted by 2010 Iowa Acts,
1 12 Senate File 2088, section 286, or any other provision
1 13 of law addressing the percentage of school ready
1 14 children grant money that can be carried forward to
1 15 the succeeding fiscal year without a reduction to
1 16 subsequent grant funding, the amount of school ready
1 17 children grant moneys distributed to a local area board
1 18 pursuant to this subsection that are carried forward
1 19 by the board to the succeeding fiscal year shall be
1 20 disregarded.>

TYMESON of Madison

WINCKLER of Scott
SF2366.2120 (3) 83
jp/tm



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Resolution 123 - Introduced

PAG LIN

HOUSE RESOLUTION NO.

BY RAYHONS, FREVERT, HEATON, KUHN, QUIRK, STECKMAN,
and UPMEYER

1 1 A Resolution supporting and recognizing the goals and
1 2 ideals of "RV Centennial Celebration Month" to
1 3 commemorate 100 years of enjoyment of recreation
1 4 vehicles in the United States.
1 5 WHEREAS, 1910 marks the first year of mass-produced,
1 6 manufactured, motorized campers and camping
1 7 trailers; and
1 8 WHEREAS, one in 12 households in the United States
1 9 owns a recreation vehicle (RV), and over 30 million
1 10 RV enthusiasts take part in this affordable and
1 11 environmentally friendly form of vacationing; and
1 12 WHEREAS, RV vacations allow families in the
1 13 United States to build stronger relationships,
1 14 explore the great outdoors, and take part in healthy
1 15 activities; and
1 16 WHEREAS, this is a true Iowa homegrown industry ==
1 17 in 1958 Mr. John K. Hanson began manufacturing
1 18 travel-trailers in Forest City, Iowa, naming the
1 19 company Winnebago Industries; and
1 20 WHEREAS, thanks to the tireless efforts of Mr.
1 21 Hanson and the Winnebago Industries team, the name
1 22 "Winnebago" is synonymous with RV travel and has
1 23 brought prosperity to thousands of Iowans over the
1 24 decade; and
1 25 WHEREAS, traveling in an RV offers the freedom,
1 26 comfort, and flexibility to see all parts of the United
1 27 States, from historic landmarks and national parks to



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Resolution 123 - Introduced continued

2 1 local campgrounds and sporting events; and
2 2 WHEREAS, the centennial anniversary of the
2 3 introduction of the RV into the marketplace in the
2 4 United States will be celebrated June 7, 2010, at the
2 5 RV/MH Hall of Fame in Elkhart, Indiana; NOW THEREFORE,
2 6 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, That
2 7 the House of Representatives supports and recognizes
2 8 the goals and ideals of "RV Centennial Celebration
2 9 Month" to commemorate 100 years of enjoyment of
2 10 recreation vehicles in the United States, and
2 11 recognizes the contributions made by Iowa's own John K.
2 12 Hanson and Winnebago Industries' employees to develop
2 13 the RV industry.

LSB 6255HH (1) 83

jr/nh



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Resolution 124 - Introduced

PAG LIN

HOUSE RESOLUTION NO.

BY WESSEL-KROESCHELL, D. OLSON, DEYOE, and HEDDENS
1 1 A Resolution congratulating the Iowa State University
1 2 football team for its victory at the Insight Bowl.
1 3 WHEREAS, In 2009, the Iowa State football team, the
1 4 Cyclones, was in its first season under head coach Paul
1 5 Rhoads, an Iowa native; and
1 6 WHEREAS, Coach Rhoads told the members of his team
1 7 before the season that they would win a bowl game; and
1 8 WHEREAS, the Iowa State Cyclones posted their first
1 9 winning season since 2005; and
1 10 WHEREAS, the Cyclones were invited to play in their
1 11 first bowl game since 2005, appearing in the Insight
1 12 Bowl in Tempe, Arizona; and
1 13 WHEREAS, the Cyclones beat the Minnesota Golden
1 14 Gophers of the Big Ten, 14=13, on December 31 in the
1 15 Insight Bowl; and
1 16 WHEREAS, the Big 12 media picked the Cyclones
1 17 to finish last in the North Division before the
1 18 season; and
1 19 WHEREAS, the Cyclones beat the Nebraska Cornhuskers,
1 20 9=7 for its first win in Lincoln, Nebraska, in 32
1 21 years; and
1 22 WHEREAS, the team was led by captains Reggie
1 23 Stephens, Austen Arnaud, James Smith, Derec Schmidgall,
1 24 and Nate Frere; and
1 25 WHEREAS, middle linebacker Jesse Smith was the
1 26 national defensive player of the week after the
1 27 Nebraska win, making 12 tackles and the game=clinching
1 28 interception against the Cornhuskers, finishing his



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

House Resolution 124 - Introduced continued

2 1 career with 305 tackles after leading the Big 12 with
2 2 135 stops in 2009; and
2 3 WHEREAS, video of Coach Rhoads' postgame speech with
2 4 his team after the Nebraska win has been viewed nearly
2 5 250,000 times on YouTube; and
2 6 WHEREAS, Coach Rhoads coached the Cyclones to seven
2 7 wins in his first season, the most victories by a
2 8 first-year head coach since 1907; and
2 9 WHEREAS, Coach Rhoads is the first head football
2 10 coach to lead the Cyclones to a winning season in his
2 11 first year since 1931; and
2 12 WHEREAS, the Cyclones beat Kent State for its first
2 13 road victory since 2005, with the win at Nebraska being
2 14 its first road conference win since 2005; and
2 15 WHEREAS, the Cyclones held three conference
2 16 opponents to 10 points or less for the first time since
2 17 1965; and
2 18 WHEREAS, the Cyclones were one of the most improved
2 19 teams nationally among NCAA Bowl Championship Series
2 20 schools; and
2 21 WHEREAS, the Cyclones were 68th nationally in the
2 22 red zone in 2008, and in 2009, ranked second=best
2 23 among 120 football bowl subdivision teams in that
2 24 category; and
2 25 WHEREAS, the Cyclone defenders were ninth nationally
2 26 in forced turnovers; and
2 27 WHEREAS, the defense's anchor, linebacker Jesse
2 28 Smith, earned first-team all-conference honors, strong
2 29 safety David Sims was named by the league's coaches as
2 30 the Big 12 Defensive Newcomer of the Year, and punter



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Resolution 124 - Introduced continued

3 1 Mike Brandtner and running back Alexander Robinson
3 2 earned honorable mention all=Big 12 honors; and
3 3 WHEREAS, the Cyclone punt return defense ranked
3 4 fourth nationally; and
3 5 WHEREAS, running back Alexander Robinson became the
3 6 Cyclone's first 1,000=yard rusher since 2004; and
3 7 WHEREAS, quarterback Austen Arnaud drove the
3 8 Cyclones to success despite injuries that forced him
3 9 and Alexander Robinson to miss parts of several games
3 10 this season, while offensive lineman Reggie Stephens,
3 11 first=team all=conference honoree, led a rejuvenated
3 12 front in the trenches, and offensive lineman Kelechi
3 13 Osemele was a second=team all=conference selection; NOW
3 14 THEREFORE,
3 15 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,
3 16 That the House of Representatives honors the 2009 Iowa
3 17 State University football team and their coach, Paul
3 18 Rhoads, for their dedication to excellence, for their
3 19 strength of spirit, and for their unwavering effort,
3 20 which culminated with a win at the Insight Bowl.
LSB 6262HH (1) 83
jr/rj



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738

HOUSE FILE

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SHOMSHOR)

A BILL FOR

1 An Act relating to taxation, including the administration and
2 review of certain economic development programs and certain
3 tax incentive programs and the reenactment of the estate
4 tax and including effective date and retroactive and other
5 applicability provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
TLSB 5795YC (1) 83

tw/sc



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

PAG LIN

1 1 DIVISION I
1 2 REVIEW AND REAUTHORIZATION OF PROGRAMS
1 3 Section 1. INTENT AND PURPOSE.
1 4 1. It is the intent of the general assembly that each tax
1 5 credit, withholding credit, and revenue division program should
1 6 effectuate the purposes for which it was enacted and that the
1 7 cost of such programs should be included more readily in the
1 8 yearly budgeting process.
1 9 2. The purposes of this Act are to provide for the regular
1 10 review of all tax credit, withholding credit, and revenue
1 11 division programs in order to facilitate the reauthorization
1 12 of successful programs and to do so at a cost that can be
1 13 accommodated by the state's annual budget.
1 14 DIVISION II
1 15 LEGISLATIVE TAX EXPENDITURE COMMITTEE
1 16 Sec. 2. Section 2.45, Code Supplement 2009, is amended by
1 17 adding the following new subsection:
1 18 NEW SUBSECTION. 5. a. The legislative tax expenditure
1 19 committee which shall be composed of ten members of the general
1 20 assembly, consisting of five members from each house, to be
1 21 appointed by the legislative council.
1 22 b. The legislative tax expenditure committee shall have the
1 23 powers and duties described in section 2.48.
1 24 Sec. 3. NEW SECTION. 2.48 Legislative tax expenditure
1 25 committee == review of tax incentive programs.
1 26 1. Statement of principles of sound tax policy. The
1 27 legislative tax expenditure committee shall do all of the
1 28 following:
1 29 a. Issue a statement of principles of sound tax policy.
1 30 (1) In issuing the statement, the committee may consult with
1 31 the department of revenue, the legislative services agency,
1 32 and independent experts who have demonstrated expertise in
1 33 matters of tax policy, fiscal policy, and public finance such
1 34 as that typically found among tax attorneys, certified public
1 35 accountants, and faculty members at institutions of higher



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

House Study Bill 738 continued

2 1 learning in the state.
2 2 (2) The statement shall reflect to the extent practicable
2 3 the best practices of state and local taxation as recognized
2 4 by experts in the fields of economics, fiscal policy, law,
2 5 accounting, and public finance.
2 6 (3) The statement shall address issues of equity,
2 7 simplicity, competitiveness, public purpose, and adequacy as
2 8 those issues pertain to taxation in Iowa.
2 9 b. Evaluate any tax expenditure available under Iowa law
2 10 and assess its conformance with the statement of principles of
2 11 sound tax policy issued pursuant to paragraph "a". For purposes
2 12 of this section, "tax expenditure" means an exclusion from
2 13 the operation or collection of a tax imposed in this state.
2 14 Tax expenditures include tax credits, exemptions, deductions,
2 15 and rebates. Tax expenditures also include sales tax refunds
2 16 issued pursuant to section 423.3 or section 423.4.
2 17 c. Establish and maintain a system for making available
2 18 to the public information about the amount and effectiveness
2 19 of tax expenditures, and the extent to which tax expenditures
2 20 comply with the statement of principles of sound tax policy.
2 21 2. Review of tax expenditures == budget estimates. The
2 22 legislative tax expenditure committee shall do all of the
2 23 following:
2 24 a. Engage in the regular review of the state's tax
2 25 expenditures.
2 26 (1) In reviewing tax expenditures, the committee may review
2 27 any tax expenditure at any time, but shall at a minimum perform
2 28 the reviews described in subsection 3.
2 29 (2) For each tax expenditure reviewed, the committee shall
2 30 submit a report to the legislative council containing the
2 31 results of the review. The report shall contain a statement
2 32 of the policy goals of the tax expenditure and a return on
2 33 investment calculation for the tax expenditure. For purposes
2 34 of this subparagraph, "return on investment calculation"
2 35 means analyzing the cost to the state of providing the tax



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

3 1 expenditure, analyzing the benefits realized by the state from
3 2 providing the tax expenditure, and reaching a conclusion as to
3 3 whether the benefits of the tax expenditure are worth the cost
3 4 to the state of providing the tax expenditure.
3 5 (3) The report described in subparagraph (2) may include
3 6 recommendations for better aligning tax expenditures with the
3 7 principles of sound tax policy issued pursuant to subsection 1.
3 8 b. (1) Estimate for each fiscal year, in conjunction with
3 9 the legislative services agency and the department of revenue,
3 10 the cost of each individual tax expenditure and the total cost
3 11 of all tax expenditures, and by December 15 provide those
3 12 estimates to the governor for use in the preparation of the
3 13 budget message under section 8.22 and to the general assembly
3 14 to be used in the budget process.
3 15 (2) The estimates provided pursuant to subparagraph (1) may
3 16 include the committee's recommendations for the imposition of a
3 17 limitation on a specified tax expenditure, a limitation on the
3 18 total amount of tax expenditures, or any other recommendation
3 19 for a specific tax expenditure or the program under which the
3 20 tax expenditure is provided.
3 21 3. Schedule of review of certain tax expenditures. The
3 22 committee shall review the following tax expenditures and
3 23 incentives according to the following schedule:
3 24 a. In 2011:
3 25 (1) The high quality jobs program under chapter 15,
3 26 subchapter II, part 13.
3 27 (2) The tax credits for increasing research activities
3 28 available under sections 15.335, 15A.9, 422.10, and 422.33.
3 29 (3) Property tax revenue divisions for urban renewal areas
3 30 under section 403.19.
3 31 (4) Funding of urban renewal projects with increased local
3 32 sales and services tax revenues under section 423B.10.
3 33 b. In 2012:
3 34 (1) The targeted jobs withholding credits available under
3 35 section 403.19A.



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

- 4 1 (2) School tuition organization tax credits under sections
4 2 422.11S and 422.33.
4 3 (3) Tuition and textbook tax credits under section 422.12.
4 4 c. In 2013: the child and dependent care and early
4 5 childhood development tax credits under section 422.12C.
4 6 d. In 2014:
4 7 (1) Tax credits for investments in qualifying businesses
4 8 and community-based seed capital funds under chapter 15E,
4 9 division V.
4 10 (2) Historic preservation and cultural and entertainment
4 11 district tax credits under chapter 404A.
4 12 (3) Wind energy production tax credits under chapter 476B.
4 13 (4) Renewable energy tax credits under chapter 476C.
4 14 e. In 2015:
4 15 (1) The agricultural assets transfer tax credit under
4 16 section 175.37.
4 17 (2) The claim of right tax credit under section 422.5.
4 18 (3) The reduction in allocating income to Iowa by S
4 19 corporation shareholders under section 422.8.
4 20 (4) The minimum tax credit under sections 422.11B, 422.33,
4 21 and 422.60.
4 22 (5) The assistive device corporate tax credit under section
4 23 422.33.
4 24 (6) The charitable conservation contribution tax credit
4 25 under sections 422.11W and 422.33.
4 26 (7) The motor vehicle fuel tax credit under section 422.110.
4 27 4. A tax expenditure or incentive reviewed pursuant to
4 28 subsection 3 shall be reviewed again not more than five years
4 29 after the tax expenditure or incentive was most recently
4 30 reviewed.

4 31 DIVISION III

4 32 MAXIMUM AGGREGATE TAX CREDIT LIMIT FOR CERTAIN ECONOMIC
4 33 DEVELOPMENT PROGRAMS

4 34 Sec. 4. Section 15.119, subsection 1, Code Supplement 2009,
4 35 is amended by striking the subsection and inserting in lieu



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

5 1 thereof the following:

5 2 1. a. Notwithstanding any provision to the contrary in any
5 3 of the programs listed in subsection 2, the department, except
5 4 as provided in paragraph "b", shall not authorize for any one
5 5 fiscal year an amount of tax credits for the programs specified
5 6 in subsection 2 that is in excess of one hundred twenty million
5 7 dollars.

5 8 b. The department may authorize an amount of tax credits
5 9 during a fiscal year that is in excess of the amount specified
5 10 in paragraph "a", but the amount of such excess shall be counted
5 11 against the total amount of tax credits that may be authorized
5 12 for the next fiscal year.

5 13 DIVISION IV

5 14 FILM PROGRAM SUSPENSION

5 15 Sec. 5. Section 15.393, Code Supplement 2009, is amended by
5 16 adding the following new subsection:

5 17 NEW SUBSECTION. 5. The department shall not register a new
5 18 project pursuant to this section until July 1, 2012.

5 19 Sec. 6. EFFECTIVE UPON ENACTMENT. This division of this
5 20 Act, being deemed of immediate importance, takes effect upon
5 21 enactment.

5 22 DIVISION V

5 23 SUPPLEMENTAL RESEARCH ACTIVITIES CREDIT

5 24 Sec. 7. Section 15.335, Code Supplement 2009, is amended to
5 25 read as follows:

5 26 15.335 Research activities credit.

5 27 1. a. An eligible business may claim a corporate tax credit
5 28 for increasing research activities in this state during the
5 29 period the eligible business is participating in the program.

5 30 b. For purposes of this section, "research activities"
5 31 includes the development and deployment of innovative renewable
5 32 energy generation components manufactured or assembled in this
5 33 state. For purposes of this section, "innovative renewable
5 34 energy generation components" does not include a component
5 35 with more than two hundred megawatts of installed effective



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

6 1 nameplate capacity.

6 2 c. The tax credits for innovative renewable energy
6 3 generation components shall not exceed two million dollars.

6 4 2. a. (1) ~~The~~ In the case of an eligible business whose
6 5 gross revenues do not exceed twenty million dollars per year,
6 6 the credit equals the sum of the following:

6 7 ~~(a) (1) Six and one-half~~ Ten percent of the excess of
6 8 qualified research expenses during the tax year over the base
6 9 amount for the tax year based upon the state's apportioned
6 10 share of the qualifying expenditures for increasing research
6 11 activities.

6 12 ~~(b) (2) Six and one-half~~ Ten percent of the basic research
6 13 payments determined under section 41(e)(1)(A) of the Internal
6 14 Revenue Code during the tax year based upon the state's
6 15 apportioned share of the qualifying expenditures for increasing
6 16 research activities.

6 17 b. In the case of an eligible business whose gross revenues
6 18 exceed twenty million dollars per year, the credit equals the
6 19 sum of the following:

6 20 (1) Three percent of the excess of qualified research
6 21 expenses during the tax year over the base amount for the tax
6 22 year based upon the state's apportioned share of the qualifying
6 23 expenditures for increasing research activities.

6 24 (2) Three percent of the basic research payments determined
6 25 under section 41(e)(1)(A) of the Internal Revenue Code during
6 26 the tax year based upon the state's apportioned share of the
6 27 qualifying expenditures for increasing research activities.

6 28 ~~(2) 3. The~~ For purposes of subsection 2, the state's
6 29 apportioned share of the qualifying expenditures for increasing
6 30 research activities is a percent equal to the ratio of
6 31 qualified research expenditures in this state to total
6 32 qualified research expenditures.

6 33 ~~b.4. a.~~ In lieu of the credit amount computed in
6 34 paragraph "a", subparagraph (1) subsection 2, an eligible
6 35 business may elect to compute the credit amount for qualified



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

7 1 research expenses incurred in this state in a manner consistent
7 2 with the alternative incremental credit described in section
7 3 41(c)(4) of the Internal Revenue Code. The taxpayer may make
7 4 this election regardless of the method used for the taxpayer's
7 5 federal income tax. The election made under this paragraph is
7 6 for the tax year and the taxpayer may use another or the same
7 7 method for any subsequent year.

7 8 ~~e.~~ b. For purposes of the alternate credit computation
7 9 method in paragraph ~~"b"~~ "a", the credit percentages applicable
7 10 to qualified research expenses described in clauses (i), (ii),
7 11 and (iii) of section 41(c)(4)(A) of the Internal Revenue Code
7 12 are one and sixty-five hundredths percent, two and twenty
7 13 hundredths percent, and two and seventy-five hundredths
7 14 percent, respectively.

7 15 ~~2.~~ 5. The credit allowed in this section is in addition
7 16 to the credit authorized in section 422.10 and section 422.33,
7 17 subsection 5. However, if the alternative credit computation
7 18 method is used in section 422.10 or section 422.33, subsection
7 19 5, the credit allowed in this section shall also be computed
7 20 using that method.

7 21 ~~3.~~ 6. If the eligible business is a partnership, S
7 22 corporation, limited liability company, or estate or trust
7 23 electing to have the income taxed directly to the individual,
7 24 an individual may claim the tax credit allowed. The amount
7 25 claimed by the individual shall be based upon the pro rata
7 26 share of the individual's earnings of the partnership, S
7 27 corporation, limited liability company, or estate or trust.

7 28 ~~4.~~ 7. a. For purposes of this section, "base amount",
7 29 "basic research payment", and "qualified research expense" mean
7 30 the same as defined for the federal credit for increasing
7 31 research activities under section 41 of the Internal Revenue
7 32 Code, except that for the alternative incremental credit such
7 33 amounts are for research conducted within this state.

7 34 b. For purposes of this section, "Internal Revenue Code"
7 35 means the Internal Revenue Code in effect on January 1, 2009.



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

8 1 ~~5.~~ 8. Any credit in excess of the tax liability for the
8 2 taxable year shall be refunded with interest computed under
8 3 section 422.25. In lieu of claiming a refund, a taxpayer may
8 4 elect to have the overpayment shown on its final, completed
8 5 return credited to the tax liability for the following year.

8 6 ~~6.~~ 9. The department of revenue shall by February 15
8 7 of each year issue an annual report to the general assembly
8 8 containing the total amount of all claims made by employers
8 9 under this section, and the portion of the claims issued as
8 10 refunds, for all claims processed during the previous calendar
8 11 year. The report shall contain the name of each claimant for
8 12 whom a tax credit in excess of five hundred thousand dollars
8 13 was issued and the amount of the credit received.

8 14 Sec. 8. RETROACTIVE APPLICABILITY. This division of this
8 15 Act applies retroactively to January 1, 2010, for tax years
8 16 beginning on or after the date.

8 17 DIVISION VI

8 18 MAXIMUM AMOUNT OF ACCELERATED CAREER EDUCATION JOB CREDITS

8 19 Sec. 9. Section 260G.4B, subsection 1, Code 2009, is amended
8 20 to read as follows:

8 21 1. The total amount of program job credits from all
8 22 employers which shall be allocated for all accelerated career
8 23 education programs in the state in any one fiscal year shall
8 24 not exceed ~~the sum of three million dollars in the fiscal~~
~~8 25 year beginning July 1, 2000, three million dollars in the~~
~~8 26 fiscal year beginning July 1, 2001, three million dollars~~
~~8 27 in the fiscal year beginning July 1, 2002, four million~~
~~8 28 dollars in the fiscal year beginning July 1, 2003, and six~~
~~8 29 million dollars in the fiscal year beginning July 1, 2004,~~
~~8 30 and every fiscal year thereafter~~ five million four hundred
8 31 thousand dollars. ~~Any increase in program job credits above~~
~~8 32 the six-million-dollar limitation per fiscal year shall be~~
~~8 33 developed, based on recommendations in a study conducted by~~
~~8 34 the department of economic development, pursuant to this~~
~~8 35 section, Code Supplement 2003, of the needs and performance of~~



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

~~House Study Bill 738 continued~~

~~9 1 approved programs in the fiscal years beginning July 1, 2000,~~
~~9 2 and July 1, 2001. A community college shall file a copy of~~
9 3 each agreement with the department of economic development.
9 4 The department shall maintain an annual record of the proposed
9 5 program job credits under each agreement for each fiscal year.
9 6 Upon receiving a copy of an agreement, the department shall
9 7 allocate any available amount of program job credits to the
9 8 community college according to the agreement sufficient for
9 9 the fiscal year and for the term of the agreement. When the
9 10 total available program job credits are allocated for a fiscal
9 11 year, the department shall notify all community colleges that
9 12 the maximum amount has been allocated and that further program
9 13 job credits will not be available for the remainder of the
9 14 fiscal year. Once program job credits have been allocated to
9 15 a community college, the full allocation shall be received by
9 16 the community college throughout the fiscal year and for the
9 17 term of the agreement even if the statewide program job credit
9 18 maximum amount is subsequently allocated and used.

9 19 DIVISION VII

9 20 MAXIMUM AMOUNT OF AGRICULTURAL ASSET TRANSFER TAX CREDITS

9 21 Sec. 10. Section 175.37, subsection 10, Code Supplement
9 22 2009, is amended to read as follows:

9 23 10. The amount of tax credit certificates that may be issued
9 24 pursuant to this section shall not exceed ~~six~~ two million
9 25 dollars in any fiscal year. The authority shall issue the tax
9 26 credit certificates on a first-come, first-served basis.

9 27 DIVISION VIII

9 28 ECONOMIC DEVELOPMENT REGION REVOLVING LOAN FUND TAX CREDIT

9 29 Sec. 11. Section 15E.231, subsection 2, Code Supplement
9 30 2009, is amended by striking the subsection.

9 31 Sec. 12. Section 15E.232, subsections 1 and 2, Code 2009,
9 32 are amended by striking the subsections.

9 33 Sec. 13. Section 422.33, subsection 17, Code Supplement
9 34 2009, is amended by striking the subsection.

9 35 Sec. 14. Section 422.60, subsection 9, Code Supplement



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

10 1 2009, is amended by striking the subsection.

10 2 Sec. 15. Section 533.329, subsection 2, paragraph k, Code
10 3 Supplement 2009, is amended by striking the paragraph.

10 4 Sec. 16. REPEAL. Sections 422.11K and 432.12F, Code 2009,
10 5 are repealed.

10 6 Sec. 17. RETROACTIVE APPLICABILITY. This division of this
10 7 Act applies retroactively to January 1, 2010, for tax years
10 8 beginning on or after that date.

10 9 DIVISION IX

10 10 MAXIMUM AMOUNT OF ENDOW IOWA TAX CREDITS

10 11 Sec. 18. Section 15E.305, subsection 2, unnumbered
10 12 paragraph 1, Code Supplement 2009, is amended to read as
10 13 follows:

10 14 The aggregate amount of tax credits authorized pursuant to
10 15 this section shall not exceed a total of ~~three~~ two million
10 16 seven hundred thousand dollars plus such additional credit
10 17 amount as provided by this section annually. The maximum
10 18 amount of tax credits granted to a taxpayer shall not exceed
10 19 five percent of the aggregate amount of tax credits authorized.

10 20 DIVISION X

10 21 MAXIMUM AMOUNT OF SCHOOL TUITION ORGANIZATION TAX CREDITS

10 22 Sec. 19. Section 422.11S, subsection 7, paragraph a,
10 23 subparagraph (2), Code 2009, is amended to read as follows:

10 24 (2) "Total approved tax credits" means ~~for the tax year~~
~~10 25 beginning in the 2006 calendar year, two million five hundred~~
~~10 26 thousand dollars, for the tax year beginning in the 2007~~
~~10 27 calendar year, five million dollars, and for tax years~~
10 28 beginning on or after January 1, ~~2008, seven~~ 2011, six million
10 29 five seven hundred fifty thousand dollars.

10 30 DIVISION XI

10 31 VENTURE CAPITAL == IOWA FUND OF FUNDS

10 32 Sec. 20. Section 15E.66, subsections 1 and 7, Code 2009, are
10 33 amended to read as follows:

10 34 1. The board may issue certificates and related tax
10 35 credits to designated investors which, if redeemed for the



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

11 1 maximum possible amount, shall not exceed a total aggregate
11 2 of ~~one hundred~~ sixty million dollars of tax credits. The
11 3 certificates shall be issued contemporaneously with a
11 4 commitment to invest in the Iowa fund of funds by a designated
11 5 investor. A certificate issued by the board shall have a
11 6 specific maturity date or dates designated by the board and
11 7 shall be redeemable only in accordance with the contingencies
11 8 reflected on the certificate or incorporated therein by
11 9 reference. A certificate and the related tax credit shall be
11 10 transferable by the designated investor. A tax credit shall
11 11 not be claimed or redeemed except by a designated investor or
11 12 transferee in accordance with the terms of a certificate from
11 13 the board. A tax credit shall not be claimed for a tax year
11 14 that begins earlier than the maturity date or dates stated
11 15 on the certificate. An individual may claim the credit of a
11 16 partnership, limited liability company, S corporation, estate,
11 17 or trust electing to have the income taxed directly to the
11 18 individual. The amount claimed by the individual shall be
11 19 based upon the pro rata share of the individual's earnings from
11 20 the partnership, limited liability company, S corporation,
11 21 estate, or trust. Any tax credit in excess of the taxpayer's
11 22 tax liability for the tax year may be credited to the tax
11 23 liability for the following seven years, or until depleted,
11 24 whichever is earlier.

11 25 7. In determining the ~~one hundred million dollar~~ maximum
11 26 aggregate limit in subsection 1 and the ~~twenty million~~
~~11 27 dollar fiscal year~~ limitation in subsection 5, the board shall
11 28 use the cumulative amount of scheduled aggregate returns on
11 29 certificates issued by the board to designated investors.
11 30 However, certificates and related tax credits which have
11 31 expired shall not be included and certificates and related tax
11 32 credits which have been redeemed shall be included only to the
11 33 extent of tax credits actually allowed.

11 34 Sec. 21. EFFECTIVE UPON ENACTMENT. This division of this
11 35 Act, being deemed of immediate importance, takes effect upon



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

12 1 enactment.

12 2 DIVISION XII

12 3 VENTURE CAPITAL == INVESTMENT TAX CREDIT

12 4 Sec. 22. Section 422.33, subsection 13, Code Supplement
12 5 2009, is amended by striking the subsection.

12 6 Sec. 23. Section 422.60, subsection 6, Code Supplement
12 7 2009, is amended by striking the subsection.

12 8 Sec. 24. Section 533.329, subsection 2, paragraph i, Code
12 9 Supplement 2009, is amended by striking the paragraph.

12 10 Sec. 25. REPEAL. Sections 15E.51, 422.11G, and 432.12B,
12 11 Code 2009, are repealed.

12 12 Sec. 26. RETROACTIVE APPLICABILITY. This division of this
12 13 Act applies retroactively to January 1, 2010, for tax years
12 14 beginning on or after that date.

12 15 DIVISION XIII

12 16 REFUNDABLE INVESTMENT TAX CREDITS FOR VALUE=ADDED AGRICULTURAL
12 17 PRODUCTS

12 18 Sec. 27. Section 15.333, subsection 3, Code Supplement
12 19 2009, is amended by striking the subsection.

12 20 Sec. 28. RETROACTIVE APPLICABILITY. This division of this
12 21 Act applies retroactively to January 1, 2010, for tax years
12 22 beginning on or after that date.

12 23 DIVISION XIV

12 24 MAXIMUM AMOUNT OF HISTORIC TAX CREDITS

12 25 Sec. 29. Section 404A.4, subsection 2, Code Supplement
12 26 2009, is amended by adding the following new paragraph:

12 27 NEW PARAGRAPH. d. For the fiscal year beginning July 1,
12 28 2012, and for each fiscal year thereafter, the department shall
12 29 reserve not more than forty=five million dollars worth of tax
12 30 credits for any one taxable year.

12 31 Sec. 30. Section 404A.4, subsection 4, paragraph a, Code
12 32 Supplement 2009, is amended to read as follows:

12 33 a. The total amount of tax credits that may be approved
12 34 for a fiscal year prior to the fiscal year beginning July
12 35 1, 2012, under this chapter shall not exceed fifty million



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

13 1 dollars. The total amount of tax credits that may be approved
13 2 for a fiscal year beginning on or after July 1, 2012, shall not
13 3 exceed forty-five million dollars.

13 4 DIVISION XV

13 5 ESTATE TAX REENACTED

13 6 Sec. 31. NEW SECTION. 451.1 Definitions.

13 7 As used in this chapter, unless the context otherwise
13 8 requires:

13 9 1. "Adjusted taxable estate" means the taxable estate
13 10 computed for federal estate tax purposes reduced by sixty
13 11 thousand dollars.

13 12 2. "Federal estate tax" means the tax imposed by the
13 13 provisions of the Federal Estate Tax Act.

13 14 3. "Federal Estate Tax Act" and all such similar terms,
13 15 means Title III of chapter 27 of the Acts of the Sixty-ninth
13 16 Congress of the United States, first session, appearing in
13 17 44 Statutes at Large, chapter 27, as of January 1, 2000, as
13 18 amended.

13 19 4. "Gross estate" means the gross estate as determined under
13 20 section 451.3.

13 21 5. "Internal Revenue Code" means the Internal Revenue Code
13 22 as of the implementation date of this chapter, as specified in
13 23 section 451.13.

13 24 6. "Iowa estate tax" means the tax imposed by this chapter.

13 25 7. "Month" means a calendar month.

13 26 8. "Net estate" means the net estate as determined under the
13 27 provisions of section 451.3.

13 28 9. "Personal representative" means the executor of the will
13 29 or administrator of the estate of the decedent, or if there
13 30 is no such executor or administrator appointed, qualified and
13 31 acting, then any person in actual or constructive possession of
13 32 any property included in the gross estate of the decedent.

13 33 Sec. 32. NEW SECTION. 451.2 Additional tax.

13 34 1. An amount equal to the federal estate tax credit for
13 35 state inheritance and estate taxes as allowed in the Internal



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

House Study Bill 738 continued

14 1 Revenue Code is imposed upon every transfer of the net estate
14 2 of every decedent being a resident of, or owning property in,
14 3 this state.

14 4 2. If the decedent is a resident of Iowa and all property
14 5 is located in Iowa, or is subject to the jurisdiction of the
14 6 courts of Iowa, an amount equal to the tax imposed under
14 7 subsection 1 shall be paid to the state of Iowa. If the
14 8 decedent is a nonresident or if property is located outside the
14 9 state of Iowa and not subject to jurisdiction of Iowa courts,
14 10 the tax shall be prorated on the basis that the Iowa property
14 11 bears to the total gross estate for federal tax purposes.

14 12 3. The total tax or the Iowa share of the total tax shall be
14 13 credited with the amount of any inheritance tax due the state
14 14 of Iowa as provided in chapter 450.

14 15 Sec. 33. NEW SECTION. 451.3 Gross and net estate.
14 16 The gross estate shall be the same as finally determined for
14 17 federal estate tax and the net estate shall be the gross estate
14 18 less deductions as permitted by federal law, in arriving at the
14 19 net taxable federal estate, all determined as provided in the
14 20 Internal Revenue Code.

14 21 Sec. 34. NEW SECTION. 451.4 Tax on net estate.
14 22 The tax imposed by this chapter shall be upon the transfer
14 23 of the total net estate of every decedent dying after the
14 24 implementation date of this chapter as provided in section
14 25 451.13.

14 26 Sec. 35. NEW SECTION. 451.5 Duty of personal
14 27 representative.
14 28 The personal representative of a decedent whose estate may
14 29 be subject to the tax imposed by this chapter, shall file
14 30 in the office of the director of revenue, on or before the
14 31 last day of the ninth month after the death of the decedent,
14 32 duplicate copies of the estate tax return provided for in the
14 33 Federal Estate Tax Act, and in like manner, duplicate copies
14 34 of all supplemental or amended returns. The values of all
14 35 items included in the gross estate, as shown by those returns,



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

15 1 or supplemental or amended returns, shall be considered as
15 2 the values of those items for the purposes of this chapter.
15 3 In case of revaluation or correction of valuation of any of
15 4 those items, either by supplemental or amended returns, or
15 5 by the federal commissioner of internal revenue, or by an
15 6 appellate tribunal by which the value is finally determined,
15 7 the corrected values shall be considered as the values of those
15 8 items for the purposes of this chapter.
15 9 Sec. 36. NEW SECTION. 451.6 Payment of tax.
15 10 The tax imposed by this chapter shall be paid by the personal
15 11 representative to the department of revenue on or before the
15 12 last day of the ninth month after the death of the decedent.
15 13 Sec. 37. NEW SECTION. 451.7 Disposal of tax.
15 14 The proceeds of this tax shall be paid into the general fund
15 15 of the state.
15 16 Sec. 38. NEW SECTION. 451.8 Claim for credit or refund.
15 17 If the personal representative of a resident decedent
15 18 shall have paid to the treasurer of the United States or
15 19 to a collector of internal revenue an estate tax under the
15 20 provisions of the Federal Estate Tax Act in respect of property
15 21 included in the gross estate, determined as herein provided,
15 22 and shall have claimed as credits or deductions against the
15 23 federal estate tax a sum less than the maximum credits or
15 24 deductions allowed by the provisions of the Federal Estate Tax
15 25 Act for any estate, inheritance, legacy or succession taxes
15 26 actually paid to any state or territory of the United States,
15 27 or to the District of Columbia, it shall be the personal
15 28 representative's duty, with due diligence, to file in the
15 29 bureau of internal revenue a claim for credit or refund for
15 30 such amount, if any, as such estate shall be properly entitled
15 31 to receive under the provisions of the Federal Estate Tax Act
15 32 and of this chapter.
15 33 Sec. 39. NEW SECTION. 451.9 Appeal.
15 34 If any claim for refund or credit, or any part thereof,
15 35 shall be denied or disallowed by the commissioner of internal



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

16 1 revenue, the personal representative, the director of revenue,
16 2 or any person having an interest in said estate which may be
16 3 adversely affected by such denial or disallowance, may apply
16 4 to the judge of the court having jurisdiction of such estate,
16 5 for an order directing such personal representative to take,
16 6 perfect, and prosecute an appeal from the decision of the
16 7 commissioner of internal revenue to such court or tribunal as
16 8 may have jurisdiction of such matter, and, upon the granting
16 9 of such order, the director of revenue may assist in the
16 10 prosecution of such appeal. The judge of the court granting
16 11 such order may make a reasonable allowance for attorney fees
16 12 for the prosecution of such appeal, and direct the manner in
16 13 which the same, together with any other costs or expenses which
16 14 may be allowed by said court in connection therewith, shall be
16 15 paid.

16 16 Sec. 40. NEW SECTION. 451.10 Effect of allowance.
16 17 If any claim for credit or refund, or any part thereof, shall
16 18 be finally determined in favor of such personal representative,
16 19 any amount refunded or credited thereon shall inure to the
16 20 benefit of such estate.

16 21 Sec. 41. NEW SECTION. 451.11 Effect of disallowance.
16 22 If any claim for credit or refund or any part thereof,
16 23 shall be finally determined adversely to such personal
16 24 representative, for any reason other than lack of diligence or
16 25 other failure of duty on the personal representative's part,
16 26 the amount so denied or disallowed, or so much thereof as
16 27 shall have been paid to the department of revenue under the
16 28 provisions of this chapter, shall, upon a claim duly filed
16 29 with, and proper showing made to, the director of revenue,
16 30 be refunded by the department of revenue to such personal
16 31 representative, and shall inure to the benefit of such estate.

16 32 Sec. 42. NEW SECTION. 451.12 Applicable statutes
16 33 penalties.

16 34 All the provisions of chapter 450 with respect to the lien
16 35 provisions of section 450.7, and the determination, imposition,



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

17 1 payment, and collection of the tax imposed under that chapter,
17 2 including penalty and interest upon delinquent taxes and the
17 3 confidentiality of the tax return, are applicable to this
17 4 chapter, except as they are in conflict with this chapter. The
17 5 exceptions to the lien provisions found in section 450.7 do
17 6 not apply to this chapter. The penalty provisions set out in
17 7 section 450.53 shall apply to a person in possession of assets
17 8 to be reported for purposes of taxation who willfully makes a
17 9 false or fraudulent return or willfully fails to pay the tax,
17 10 supply the information, make, sign, or file the required return
17 11 within the time required by law or a person who willfully
17 12 attempts in any manner to evade taxes imposed by this chapter
17 13 or avoid payment of the tax. The director of revenue shall
17 14 adopt rules necessary for the enforcement of this chapter.

17 15 Sec. 43. NEW SECTION. 451.13 Contingent implementation
17 16 == applicability.

17 17 1. This chapter shall be implemented as of the date on
17 18 which an amendment to the Internal Revenue Code providing for
17 19 a credit against federal estate taxes owed for the amount of
17 20 state inheritance and estate taxes paid, pursuant to chapter
17 21 450 and this chapter, is applicable.

17 22 2. This chapter applies to the estates of persons dying on
17 23 or after the implementation date specified in subsection 1.

17 24 CONFORMING AMENDMENTS

17 25 Sec. 44. Section 12.71, subsection 8, Code 2009, is amended
17 26 to read as follows:

17 27 8. Bonds issued under the provisions of this section are
17 28 declared to be issued for a general public and governmental
17 29 purpose and all bonds issued under this section shall be exempt
17 30 from taxation by the state of Iowa and the interest on the
17 31 bonds shall be exempt from the state income tax and the state
17 32 inheritance and estate tax.

17 33 Sec. 45. Section 12.80, subsection 3, Code 2009, is amended
17 34 to read as follows:

17 35 3. Bonds issued under this section are declared to be



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

18 1 issued for an essential public and governmental purpose and all
18 2 bonds issued under this section shall be exempt from taxation
18 3 by the state of Iowa and the interest on the bonds shall be
18 4 exempt from the state income tax and the state inheritance and
18 5 estate tax.

18 6 Sec. 46. Section 12.81, subsection 8, Code 2009, is amended
18 7 to read as follows:

18 8 8. Bonds issued under the provisions of this section are
18 9 declared to be issued for a general public and governmental
18 10 purpose and all bonds issued under this section shall be exempt
18 11 from taxation by the state of Iowa and the interest on the
18 12 bonds shall be exempt from the state income tax and the state
18 13 inheritance and estate tax.

18 14 Sec. 47. Section 12.87, subsection 8, Code Supplement 2009,
18 15 is amended to read as follows:

18 16 8. Any bonds issued and sold under the provisions of this
18 17 section are declared to be issued and sold for an essential
18 18 public and governmental purpose, and all bonds issued and sold
18 19 under this section except as otherwise provided in any trust
18 20 indentures, resolutions, or other instruments authorizing their
18 21 issuance shall be exempt from taxation by the state of Iowa and
18 22 the interest on the bonds shall be exempt from the state income
18 23 tax and the state inheritance and estate tax.

18 24 Sec. 48. Section 12.90A, subsection 9, Code Supplement
18 25 2009, is amended to read as follows:

18 26 9. Annual appropriation bonds issued under this section are
18 27 declared to be issued for an essential public and governmental
18 28 purpose and all annual appropriation bonds issued under this
18 29 section shall be exempt from taxation by the state of Iowa
18 30 and the interest on the annual appropriation bonds shall be
18 31 exempt from the state income tax and the state inheritance and
18 32 estate tax.

18 33 Sec. 49. Section 12.91, subsection 9, Code 2009, is amended
18 34 to read as follows:

18 35 9. Bonds issued under the provisions of this section are



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

House Study Bill 738 continued

19 1 declared to be issued for a general public and governmental
19 2 purpose and all bonds issued under this section shall be exempt
19 3 from taxation by the state of Iowa and the interest on the
19 4 bonds shall be exempt from the state income tax and the state
19 5 inheritance and estate tax.

19 6 Sec. 50. Section 16.177, subsection 8, Code 2009, is amended
19 7 to read as follows:

19 8 8. Bonds issued under this section are declared to be
19 9 issued for an essential public and governmental purpose and all
19 10 bonds issued under this section shall be exempt from taxation
19 11 by the state of Iowa and the interest on the bonds shall be
19 12 exempt from the state income tax and the state inheritance and
19 13 estate tax.

19 14 Sec. 51. Section 321.47, subsection 2, Code 2009, is amended
19 15 to read as follows:

19 16 2. The persons entitled under the laws of descent and
19 17 distribution of an intestate's property to the possession
19 18 and ownership of a vehicle owned in whole or in part by a
19 19 decedent, upon filing an affidavit stating the name and date of
19 20 death of the decedent, the right to possession and ownership
19 21 of the persons filing the affidavit, and that there has been
19 22 no administration of the decedent's estate, which instrument
19 23 shall also contain an agreement to indemnify creditors of
19 24 the decedent who would be entitled to levy execution upon
19 25 the motor vehicle to the extent of the value of the motor
19 26 vehicle, are entitled upon fulfilling the other requirements of
19 27 this chapter, to the issuance of a registration card for the
19 28 interest of the decedent in the vehicle and a certificate of
19 29 title to it. If a decedent dies testate, and either the will is
19 30 not probated or is admitted to probate without administration,
19 31 the persons entitled to the possession and ownership of a
19 32 vehicle owned in whole or in part by the decedent may file
19 33 an affidavit and, upon fulfilling the other requirements of
19 34 this chapter, are entitled to the issuance of a registration
19 35 card for the interest of the decedent in the vehicle and a



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

20 1 certificate of title to the vehicle. The affidavit shall
20 2 contain the same information and indemnity agreement as is
20 3 required in cases of intestacy pursuant to this section. A
20 4 requirement of chapter 450 or 451 shall not be considered
20 5 satisfied by the filing of the affidavit provided for in this
20 6 section. If, from the records in the office of the county
20 7 treasurer, there appear to be any liens on the vehicle, the
20 8 certificate of title shall contain a statement of the liens
20 9 unless the application is accompanied by proper evidence of
20 10 their satisfaction or extinction. Evidence of extinction
20 11 may consist of, but is not limited to, an affidavit of the
20 12 applicant stating that a security interest was foreclosed as
20 13 provided in chapter 554, article 9, part 6.

20 14 Sec. 52. Section 421.60, subsection 2, paragraph c,
20 15 unnumbered paragraph 1, Code 2009, is amended to read as
20 16 follows:

20 17 If the notice of assessment or denial of a claim for refund
20 18 relates to a tax return filed pursuant to section 422.14 or
20 19 chapter 450 ~~or~~, 450A, or 451, by the taxpayer which designates
20 20 an individual as an authorized representative of the taxpayer
20 21 with respect to that return, or if a power of attorney has been
20 22 filed with the department by the taxpayer which designates an
20 23 individual as an authorized representative of the taxpayer with
20 24 respect to any tax that is included in the notice of assessment
20 25 or denial of a claim for refund, a copy of the notice together
20 26 with any additional information required to be sent to the
20 27 taxpayer shall be sent to the authorized representative as
20 28 well.

20 29 Sec. 53. Section 450.7, subsection 2, unnumbered paragraph
20 30 1, Code Supplement 2009, is amended to read as follows:

20 31 Notice of the lien is not required to be recorded. The
20 32 rights of the state under the lien have priority over all
20 33 subsequent mortgages, purchases, or judgment creditors; and a
20 34 conveyance after the decedent's death of the property subject
20 35 to a lien does not discharge the property except as otherwise



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

21 1 provided in this chapter. However, if additional tax is
21 2 determined to be owing under this chapter or chapter 451 after
21 3 the lien has been released under paragraph "a" or "b", the lien
21 4 does not have priority over subsequent mortgages, purchases,
21 5 or judgment creditors unless notice of the lien is recorded in
21 6 the office of the recorder of the county where the estate is
21 7 probated, or where the property is located if the estate has
21 8 not been administered. The department of revenue may release
21 9 the lien by filing in the office of the clerk of the court in
21 10 the county where the property is located, the decedent owner
21 11 died, or the estate is pending or was administered, one of the
21 12 following:

21 13 Sec. 54. Section 450.68, subsection 1, paragraph b, Code
21 14 Supplement 2009, is amended to read as follows:

21 15 b. Federal tax returns, copies of returns, return
21 16 information as defined in section 6103(b) of the Internal
21 17 Revenue Code, and state inheritance tax returns, which are
21 18 required to be filed with the department for the enforcement
21 19 of the inheritance and estate tax laws of this state, shall be
21 20 deemed and held as confidential by the department. However,
21 21 such returns or return information may be disclosed by the
21 22 director to officers or employees of other state agencies,
21 23 subject to the same confidentiality restrictions imposed on the
21 24 officers and employees of the department.

21 25 Sec. 55. Section 455G.6, subsection 14, Code Supplement
21 26 2009, is amended to read as follows:

21 27 14. Bonds issued under the provisions of this section are
21 28 declared to be issued for an essential public and governmental
21 29 purpose and all bonds issued under this chapter shall be exempt
21 30 from taxation by the state of Iowa and the interest on the
21 31 bonds shall be exempt from the state income tax and the state
21 32 inheritance and estate tax.

21 33 Sec. 56. Section 463C.12, subsection 8, Code 2009, is
21 34 amended to read as follows:

21 35 8. Tax=exempt bonds issued by the authority in connection



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

House Study Bill 738 continued

22 1 with the program, which are exempt from taxation for federal
22 2 tax purposes, are also exempt from taxation by the state of
22 3 Iowa and the interest on these bonds is exempt from state
22 4 income taxes and state inheritance and estate taxes.
22 5 Sec. 57. Section 524.1406, subsection 3, paragraph a, Code
22 6 2009, is amended to read as follows:
22 7 a. Notwithstanding any contrary provision in chapter
22 8 490, division XIII, in determining the fair value of the
22 9 shareholder's shares of a bank organized under this chapter
22 10 or a bank holding company as defined in section 524.1801 in a
22 11 transaction or event in which the shareholder is entitled to
22 12 appraisal rights, due consideration shall be given to valuation
22 13 factors recognized for federal and estate tax purposes,
22 14 including discounts for minority interests and discounts
22 15 for lack of marketability. However, any payment made to
22 16 shareholders under section 490.1324 shall be in an amount not
22 17 less than the stockholders' equity in the bank disclosed in its
22 18 last statement of condition filed under section 524.220 or the
22 19 total equity capital of the bank holding company disclosed in
22 20 the most recent report filed by the bank holding company with
22 21 the board of governors of the federal reserve system, divided
22 22 by the number of shares outstanding.
22 23 Sec. 58. Section 633.436, subsection 1, unnumbered
22 24 paragraph 1, Code 2009, is amended to read as follows:
22 25 Except as provided in sections 633.211 and 633.212, shares
22 26 of the distributees shall abate, for the payment of debts and
22 27 charges, federal and state estate taxes, legacies, the shares
22 28 of children born or adopted after the making of a will, or the
22 29 share of the surviving spouse who elects to take against the
22 30 will, without any preference or priority as between real and
22 31 personal property, in the following order:
22 32 Sec. 59. Section 633.449, Code 2009, is amended to read as
22 33 follows:
22 34 633.449 Payment of federal estate taxes.
22 35 All federal estate taxes, distinguished from state



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

House Study Bill 738 continued

23 1 inheritance and estate taxes, owing by the estate of a decedent
23 2 shall be paid from the property of the estate, unless the will
23 3 of the decedent, or other trust instrument, provides expressly
23 4 to the contrary.

23 5 Sec. 60. Section 633A.4703, unnumbered paragraph 1, Code
23 6 2009, is amended to read as follows:

23 7 Except as otherwise provided by the governing instrument,
23 8 where necessary to abate shares of the beneficiaries of a trust
23 9 for the payment of debts and charges, federal and state estate
23 10 taxes, bequests, the share of the surviving spouse who takes
23 11 an elective share, and the shares of children born or adopted
23 12 after the execution of the trust, abatement shall occur in the
23 13 following order:

23 14 DIVISION XVI

23 15 ENTERPRISE ZONES INTERIM STUDY COMMITTEE

23 16 Sec. 61. ENTERPRISE ZONES INTERIM STUDY COMMITTEE.

23 17 1. The legislative council is requested to establish an
23 18 interim study committee to evaluate the effectiveness of Iowa's
23 19 enterprise zone program and make recommendations on the future
23 20 of the program. In conducting the study, the committee shall
23 21 review the original policy goals of the program, the amount of
23 22 state assistance provided under the program, and the benefits
23 23 realized by the state through the administration of the
23 24 program, and shall reach a conclusion as to whether the amount
23 25 of assistance provided has been in proportion to the benefits
23 26 realized.

23 27 2. The committee shall be composed of ten members of the
23 28 general assembly. Five members shall be members of the senate,
23 29 three of whom shall be appointed by the majority leader of the
23 30 senate, and two of whom shall be appointed by the minority
23 31 leader of the senate. Five members shall be members of the
23 32 house of representatives, three of whom shall be appointed
23 33 by the speaker of the house of representatives, and two of
23 34 whom shall be appointed by the minority leader of the house of
23 35 representatives.



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

25 1 certain tax credit, withholding credit, division of revenue,
25 2 and other financial assistance programs.

25 3 Division I of the bill expresses the intent and purposes of
25 4 the bill.

25 5 Division II of the bill creates a legislative tax
25 6 expenditure committee within the legislative council. The
25 7 committee is composed of 10 members of the general assembly,
25 8 five members from each house, appointed by the legislative
25 9 council.

25 10 The committee has a number of duties. The committee is
25 11 required to issue a statement of principles of sound tax
25 12 policy. In issuing the statement, the committee may consult
25 13 with the department of revenue, the legislative services
25 14 agency, and independent experts who have demonstrated expertise
25 15 in matters of tax policy, fiscal policy, and public finance.
25 16 The statement must reflect to the extent practicable the best
25 17 practices of state and local taxation as recognized by experts
25 18 in the fields of economics, fiscal policy, law, accounting, and
25 19 public finance. The statement must address issues of equity,
25 20 simplicity, competitiveness, public purpose, and adequacy as
25 21 those issues pertain to taxation in Iowa.

25 22 The committee shall evaluate any tax expenditure available
25 23 under Iowa law and assess its conformance with the statement of
25 24 principles of sound tax policy. "Tax expenditure" is defined
25 25 to mean an exclusion from the operation or collection of a tax
25 26 imposed in this state. Tax expenditures include tax credits,
25 27 exemptions, deductions, and rebates. Tax expenditures also
25 28 include sales tax refunds issued pursuant to Code section 423.3
25 29 or Code section 423.4.

25 30 The committee shall establish and maintain a system for
25 31 making available to the public information about the amount and
25 32 effectiveness of tax expenditures and the extent to which tax
25 33 expenditures comply with the statement of principles of sound
25 34 tax policy.

25 35 The committee must engage in the regular review of the



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

House Study Bill 738 continued

26 1 state's tax expenditures. In reviewing tax expenditures, the
26 2 committee may review any tax expenditure at any time, but shall
26 3 at a minimum perform certain reviews according to a schedule
26 4 prescribed by statute. For each tax expenditure reviewed,
26 5 the committee must submit a report to the legislative council
26 6 containing the results of the review. The report must contain
26 7 a statement of the policy goals of the tax expenditure and
26 8 a return on investment calculation for the tax expenditure.
26 9 "Return on investment calculation" is defined to mean analyzing
26 10 the cost to the state of providing the tax expenditure,
26 11 analyzing the benefits realized by the state from providing
26 12 the tax expenditure, and reaching a conclusion as to whether
26 13 the benefits of the tax expenditure are worth the cost to the
26 14 state of providing it. The committee's report may also include
26 15 recommendations for better aligning tax expenditures with
26 16 principles of sound tax policy.

26 17 The committee must also estimate for each fiscal year,
26 18 in conjunction with the legislative services agency and
26 19 the department of revenue, the cost of each individual tax
26 20 expenditure and the total cost of all tax expenditures, and by
26 21 December 15 provide those estimates to the governor for use
26 22 in the preparation of the budget message under Code section
26 23 8.22 and to the general assembly to be used in the budget
26 24 process. The estimates provided may include the committee's
26 25 recommendations for the imposition of a limitation on a
26 26 specified tax expenditure, a limitation on the total amount of
26 27 tax expenditures, or any other recommendation for a specific
26 28 tax expenditure or the program under which the tax expenditure
26 29 is provided.

26 30 Division III of the bill reduces the amount of tax credits
26 31 that the department of economic development is allowed to
26 32 authorize for certain programs each year from \$185 million to
26 33 \$120 million, except as otherwise provided in the division.

26 34 Division IV of the bill prevents the department of economic
26 35 development from registering any new projects under the film,



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

27 1 television, and video project promotion program until July 1,
27 2 2012. The division takes effect upon enactment.

27 3 Division V modifies the amount of the additional research
27 4 activities credit in Code section 15.335. Currently, the
27 5 amount of the credit is 6.5 percent of research expenditures.
27 6 The division provides that for businesses with annual gross
27 7 revenues less than \$20 million, the credit amount is 10
27 8 percent. For businesses with annual gross revenues greater
27 9 than \$20 million, the amount of the credit is 3 percent.
27 10 Division V applies retroactively to January 1, 2010, for tax
27 11 years beginning on or after that date.

27 12 Division VI of the bill reduces the maximum amount of
27 13 statewide program job credits that may be allocated to
27 14 community colleges under the accelerated career education
27 15 program in any one fiscal year to \$5.4 million. The maximum
27 16 amount is currently \$6 million.

27 17 Division VII of the bill reduces the maximum amount of
27 18 agricultural asset transfer tax credits that may be issued
27 19 in any one fiscal year to \$2 million. The maximum amount is
27 20 currently \$6 million.

27 21 Division VIII of the bill eliminates the economic
27 22 development region revolving loan fund tax credit program. The
27 23 division applies retroactively to January 1, 2010, for tax
27 24 years beginning on or after that date.

27 25 Division IX of the bill reduces the maximum amount of tax
27 26 credits that may be issued under the Endow Iowa program to \$2.7
27 27 million. The maximum amount is currently \$3 million.

27 28 Division X of the bill reduces the maximum amount of school
27 29 tuition organization tax credits that may be issued to \$6.75
27 30 million. The maximum amount is currently \$7.5 million.

27 31 Division XI reduces the maximum aggregate amount of tax
27 32 credits that may be issued under the Iowa fund of funds program
27 33 to \$60 million. Currently, \$100 million may be issued under
27 34 the program. The division takes effect upon enactment.

27 35 Division XII eliminates the venture capital fund investment



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

House Study Bill 738 continued

28 1 tax credit and makes conforming amendments. The division
28 2 applies retroactively to January 1, 2010, for tax years
28 3 beginning on or after that date.

28 4 Division XIII of the bill eliminates the refundability
28 5 of certain tax credits for value-added agricultural products
28 6 available under the investment tax credit in Code section
28 7 15.333. The division applies retroactively to January 1, 2010,
28 8 for tax years beginning on or after that date.

28 9 Division XIV of the bill reduces the amount of historic
28 10 preservation and cultural and entertainment district tax
28 11 credits that can be reserved under Code chapter 404A from \$50
28 12 million per year to \$45 million. The reductions only impact
28 13 years in which the department has not yet approved projects
28 14 under the program.

28 15 Division XV of the bill relates to estate taxes. In
28 16 2001, Congress enacted the Economic Growth and Tax Relief
28 17 Reconciliation Act (EGTRRA) which reduced the federal estate
28 18 tax rates and increased the exemption level for estates for tax
28 19 years 2002 through 2009. In 2010, EGTRRA repeals the federal
28 20 estate tax completely. EGTRRA also phased out the tax credits
28 21 for state inheritance and estate taxes in 25 percent increments
28 22 between 2002 and 2005. Until 2008, Iowa had an estate tax,
28 23 the base and the amount of which were calculated based on the
28 24 federal tax credits phased out in EGTRRA. This type of tax was
28 25 referred to as a "pick-up tax". In 2008, Iowa's estate tax was
28 26 eliminated. This bill reenacts the estate tax, including the
28 27 base and amount calculations specified in the Internal Revenue
28 28 Code. The Code chapter reenacting the estate tax shall not be
28 29 implemented unless the federal tax credits are reenacted as
28 30 well.

28 31 Division XVI of the bill requests the legislative council
28 32 to establish an interim study committee to evaluate and make
28 33 recommendations regarding the enterprise zone program.

28 34 Division XVII of the bill requests the legislative council
28 35 to establish an interim study committee to evaluate and make



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

House Study Bill 738 continued

29 1 recommendations regarding the industrial new jobs training
29 2 program.
LSB 5795YC (1) 83
tw/sc



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Amendment 5239

PAG LIN

1 1 Amend Senate File 2224, as passed by the Senate, as
1 2 follows:
1 3 #1. Page 1, line 15, after <places.> by inserting
1 4 <Any action taken by a board of administration at a
1 5 meeting that is in violation of any of the provisions
1 6 of this subsection is not valid or enforceable.>
SF2224.2109.H (2) 83
mb



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Amendment 5240

PAG LIN

1 1 Amend Senate File 2352, as passed by the Senate, as
1 2 follows:
1 3 #1. Page 3, after line 5 by inserting:
1 4 <c. If an arrest warrant has been issued for
1 5 or charges are pending against the person, but no
1 6 court order exists requiring notification to a law
1 7 enforcement agency under paragraph "a" or "b", and if
1 8 the peace officer delivers the person to a facility or
1 9 hospital and the peace officer notifies the facility
1 10 or hospital in writing on a form prescribed by the
1 11 department of public safety that the facility or
1 12 hospital notify the law enforcement agency about
1 13 the discharge of the person prior to discharge, the
1 14 facility or hospital shall do all of the following:
1 15 (1) Notify the dispatch of the law enforcement
1 16 agency that employs the peace officer by telephone
1 17 prior to the discharge of the person from the facility
1 18 or hospital.
1 19 (2) Notify the law enforcement agency that employs
1 20 the peace officer by electronic mail prior to the
1 21 discharge of the person from the facility or hospital.>
1 22 #2. Page 3, by striking lines 11 through 15 and
1 23 inserting <is sooner dismissed by a magistrate. The
1 24 facility or hospital may provide treatment which>
1 25 #3. Page 3, line 26, by striking <the order of the
1 26 magistrate> and inserting <this section>
1 27 #4. Page 3, line 28, after <person.> by inserting
1 28 <The law enforcement agency shall retrieve the person
1 29 no later than six hours after notification from the
1 30 facility or hospital but in no circumstances shall
1 31 the detention of the person exceed the period of time
1 32 prescribed for detention by this subsection.>
1 33 #5. Page 4, by striking lines 1 through 4 and
1 34 inserting <immediately detained, or if the facility
1 35 or hospital was required to notify a law enforcement
1 36 agency by this section, and the law enforcement
1 37 agency requesting notification prior to discharge
1 38 retrieved the person no later than six hours after
1 39 the notification, and the detention prior to the
1 40 retrieval of the person did not exceed the period of
1 41 time prescribed for detention by this subsection.>
1 42 #6. Page 4, before line 5 by inserting:
1 43 <Sec. _____. Section 229.22, Code Supplement 2009, is
1 44 amended by adding the following new subsections:
1 45 NEW SUBSECTION. 5. The department of public
1 46 safety shall prescribe the form to be used when a law
1 47 enforcement agency desires notification under this
1 48 section from a facility or hospital prior to discharge
1 49 of a person admitted to the facility or hospital and
1 50 for whom an arrest warrant has been issued or against



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Amendment 5240 continued

2 1 whom charges are pending. The form shall be consistent
2 2 with all laws, regulations, and rules relating to the
2 3 confidentiality or privacy of personal information
2 4 or medical records, including but not limited to the
2 5 federal Health Insurance Portability and Accountability
2 6 Act of 1996, Pub. L. No. 104=191, and regulations
2 7 promulgated in accordance with that Act and published
2 8 in 45 C.F.R. pts. 160=64.

2 9 NEW SUBSECTION. 6. A facility or hospital,
2 10 which has been notified by a peace officer or a law
2 11 enforcement agency by delivery of a form as prescribed
2 12 by the department of public safety indicating that
2 13 an arrest warrant has been issued for or charges are
2 14 pending against a person admitted to the facility or
2 15 hospital, that does not notify the law enforcement
2 16 agency about the discharge of the person as required by
2 17 subsection 2, paragraph "c", shall pay a civil penalty
2 18 as provided in section 805.8C, subsection 8.

2 19 Sec. _____. Section 805.8C, Code Supplement 2009, is
2 20 amended by adding the following new subsection:

2 21 NEW SUBSECTION. 8. Notification violations. For
2 22 violations of section 229.22, subsection 6, the
2 23 scheduled fine is one thousand dollars for a first
2 24 violation and two thousand dollars for a second or
2 25 subsequent violation. The scheduled fine under this
2 26 subsection is a civil penalty, and the criminal penalty
2 27 surcharge under section 911.1 shall not be added to the
2 28 penalty.>

2 29 #7. Title page, line 2, after <impairment> by
2 30 inserting <, and providing penalties>

2 31 #8. By renumbering as necessary.

SF2352.2131.H (4) 83

mb



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

Senate Amendment 5241

PAG LIN

1 1 Amend Senate File 2343, as amended, passed, and
1 2 reprinted by the Senate, as follows:
1 3 #1. Page 1, before line 1 by inserting:
1 4 <Section 1. Section 46.3, Code 2009, is amended to
1 5 read as follows:

1 6 46.3 Appointment of district judicial nominating
1 7 commissioners.

1 8 1. The governor shall appoint five eligible
1 9 electors of each judicial election district to the
1 10 district judicial nominating commission.

1 11 2. ~~Appointments~~ The appointments made by the
1 12 governor shall be to staggered terms of six years each
1 13 and shall be made in the month of January for terms
1 14 commencing February 1 of even-numbered years.

1 15 3. ~~No more than a~~ A simple majority of the
1 16 commissioners appointed shall be of the same gender.

1 17 4. Beginning with terms commencing February 1,
1 18 2012, there shall not be more than one appointed
1 19 commissioner from a county within a judicial election
1 20 district unless each county within the judicial
1 21 election district has an appointed or elected
1 22 commissioner or the number of appointed commissioners
1 23 exceeds the number of counties within the judicial
1 24 election district. This subsection shall not be used
1 25 to remove an appointed commissioner from office prior
1 26 to the expiration of the commissioner's term.>

1 27 #2. Page 1, lines 4 and 5, by striking <for up to
1 28 one hundred eighty days>

1 29 #3. Page 1, line 8, after <occur.> by inserting <For
1 30 each of the first five delays ordered by the chief
1 31 justice in the fiscal year beginning July 1, 2010,
1 32 and for each of the first five delays ordered by the
1 33 chief justice in each fiscal year thereafter, the delay
1 34 shall not exceed one hundred eighty days. For each
1 35 delay ordered by the chief justice in excess of the
1 36 first five delays in the fiscal year beginning July 1,
1 37 2010, and for each delay ordered by the chief justice
1 38 in excess of the first five delays in each fiscal year
1 39 thereafter, the delay shall not exceed one year.>

1 40 #4. Page 1, lines 11 and 12, by striking <for up to
1 41 one hundred eighty days>

1 42 #5. Page 1, line 14, after <judgeship.> by inserting
1 43 <For each of the first five delays ordered by the chief
1 44 justice in the fiscal year beginning July 1, 2010,
1 45 and for each of the first five delays ordered by the
1 46 chief justice in each fiscal year thereafter, the delay
1 47 shall not exceed one hundred eighty days. For each
1 48 delay ordered by the chief justice in excess of the
1 49 first five delays in the fiscal year beginning July 1,
1 50 2010, and for each delay ordered by the chief justice



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Amendment 5241 continued

2 1 in excess of the first five delays in each fiscal year
2 2 thereafter, the delay shall not exceed one year.>
2 3 #6. Page 1, lines 19 and 20, by striking <for up to
2 4 one hundred eighty days>
2 5 #7. Page 1, line 21, after <term.> by inserting <For
2 6 each of the first five delays ordered by the chief
2 7 justice in the fiscal year beginning July 1, 2010,
2 8 and for each of the first five delays ordered by the
2 9 chief justice in each fiscal year thereafter, the delay
2 10 shall not exceed one hundred eighty days. For each
2 11 delay ordered by the chief justice in excess of the
2 12 first five delays in the fiscal year beginning July 1,
2 13 2010, and for each delay ordered by the chief justice
2 14 in excess of the first five delays in each fiscal year
2 15 thereafter, the delay shall not exceed one year.>
2 16 #8. By renumbering as necessary.
SF2343.2134.H (2) 83
mb



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3249

SENATE/HOUSE FILE
BY (PROPOSED GOVERNOR?S
BUDGET BILL)

A BILL FOR

1 An Act relating to state financial matters, providing for
2 properly related matters, and including effective date and
3 retroactive applicability provisions.

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

TLSB 5106XG (1) 83

tm/jp



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

Senate Study Bill 3249 continued

PAG LIN

1 1 DIVISION I
 1 2 STANDING APPROPRIATIONS
 1 3 AND RELATED MATTERS
 1 4 Section 1. BUDGET PROCESS FOR FISCAL YEAR 2011=2012.
 1 5 1. For the budget process applicable to the fiscal year
 1 6 beginning July 1, 2011, on or before October 1, 2010, in lieu
 1 7 of the information specified in section 8.23, subsection 1,
 1 8 unnumbered paragraph 1, and paragraph "a", all departments and
 1 9 establishments of the government shall transmit to the director
 1 10 of the department of management, on blanks to be furnished by
 1 11 the director, estimates of their expenditure requirements,
 1 12 including every proposed expenditure, for the ensuing fiscal
 1 13 year, together with supporting data and explanations as called
 1 14 for by the director of the department of management after
 1 15 consultation with the legislative services agency.
 1 16 2. The estimates of expenditure requirements shall be
 1 17 in a form specified by the director of the department of
 1 18 management, and the expenditure requirements shall include all
 1 19 proposed expenditures and shall be prioritized by program or
 1 20 the results to be achieved. The estimates shall be accompanied
 1 21 by performance measures for evaluating the effectiveness of the
 1 22 programs or results.
 1 23 Sec. 2. LIMITATION OF STANDING APPROPRIATIONS.
 1 24 Notwithstanding the standing appropriations in the following
 1 25 designated sections for the fiscal year beginning July 1, 2010,
 1 26 and ending June 30, 2011, the amounts appropriated from the
 1 27 general fund of the state pursuant to these sections for the
 1 28 following designated purposes shall not exceed the following
 1 29 amounts:
 1 30 1. For payment for nonpublic school transportation under
 1 31 section 285.2:
 1 32 \$ 7,060,931
 1 33 If total approved claims for reimbursement for nonpublic
 1 34 school pupil transportation exceed the amount appropriated in
 1 35 accordance with this subsection, the department of education



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

Senate Study Bill 3249 continued

2 1 shall prorate the amount of each approved claim.
 2 2 2. For the state's share of the cost of the peace officers'
 2 3 retirement benefits under section 411.20:
 2 4 \$ 2,253,159
 2 5 3. For operational support grants and community cultural
 2 6 grants under section 99F.11, subsection 3, paragraph "d",
 2 7 subparagraph (1):
 2 8 \$ 443,300
 2 9 4. For regional tourism marketing under section 99F.11,
 2 10 subsection 3, paragraph "d", subparagraph (2):
 2 11 \$ 862,028
 2 12 5. For the enforcement of chapter 453D relating to tobacco
 2 13 product manufacturers under section 453D.8:
 2 14 \$ 19,591
 2 15 6. For the center for congenital and inherited disorders
 2 16 central registry under section 144.13A, subsection 4, paragraph
 2 17 "a":
 2 18 \$ 161,360
 2 19 7. For primary and secondary child abuse prevention
 2 20 programs under section 144.13A, subsection 4, paragraph "a":
 2 21 \$ 174,076
 2 22 8. For programs for at-risk children under section 279.51:
 2 23 \$ 11,493,891
 2 24 The amount of any reduction in this subsection shall be
 2 25 prorated among the programs specified in section 279.51,
 2 26 subsection 1, paragraphs "a", "b", and "c".
 2 27 Sec. 3. INSTRUCTIONAL SUPPORT STATE AID. Notwithstanding
 2 28 the standing appropriation provided under section 257.20,
 2 29 an appropriation from the general fund of the state to the
 2 30 department of education for the fiscal year beginning July 1,
 2 31 2010, and ending June 30, 2011, shall not be made for purposes
 2 32 of paying instructional support state aid.
 2 33 Sec. 4. IOWA MATHEMATICS AND SCIENCE COALITION. For the
 2 34 fiscal year beginning July 1, 2010, the university of northern
 2 35 Iowa shall maintain the efforts of the Iowa mathematics and



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

Senate Study Bill 3249 continued

3 1 science coalition that were initiated pursuant to section
 3 2 294A.25, subsection 11, Code 2009.
 3 3 Sec. 5. PROPERTY TAX CREDIT FUND == PAYMENTS IN LIEU OF
 3 4 GENERAL FUND REIMBURSEMENT.
 3 5 1. a. A property tax credit fund shall be created in the
 3 6 office of the treasurer of state to be used for the purposes of
 3 7 this section.
 3 8 b. There is appropriated from the general fund of the state
 3 9 to the property tax credit fund created in paragraph "a" for
 3 10 the fiscal year beginning July 1, 2010, and ending June 30,
 3 11 2011, the sum of \$91,256,037.
 3 12 c. Notwithstanding the requirements in section 8.56,
 3 13 subsections 3 and 4, there is appropriated from the cash
 3 14 reserve fund to the property tax credit fund created in
 3 15 paragraph "a" for the fiscal year beginning July 1, 2010, and
 3 16 ending June 30, 2011, the sum of \$54,684,481.
 3 17 d. Notwithstanding section 8.33, the surplus existing
 3 18 in the property tax credit fund created pursuant to 2009
 3 19 Iowa Acts, chapter 179, section 9, at the conclusion of the
 3 20 fiscal year beginning July 1, 2009, and ending June 30, 2010,
 3 21 is transferred to the property tax credit fund created in
 3 22 paragraph "a".
 3 23 2. There is appropriated from the property tax credit fund
 3 24 for the fiscal year beginning July 1, 2010, and ending June
 3 25 30, 2011, the following amounts for the following designated
 3 26 purposes:
 3 27 a. For reimbursement for the homestead property tax credit
 3 28 under section 425.1:
 3 29 \$ 90,407,718
 3 30 b. For reimbursement for the family farm and agricultural
 3 31 land tax credits under sections 425A.1 and 426.1:
 3 32 \$ 32,395,131
 3 33 c. For reimbursement for the military service tax credit
 3 34 under section 426A.1A:
 3 35 \$ 2,370,995



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

Senate Study Bill 3249 continued

4 1 d. For implementing the elderly and disabled tax credit and
4 2 reimbursement pursuant to sections 425.16 through 425.39:
4 3 \$ 20,779,200

4 4 If the director of revenue determines that the amount
4 5 of claims for credit for property taxes due pursuant to
4 6 paragraphs "a", "b", "c", and "d", plus the amount of claims
4 7 for reimbursement for rent constituting property taxes paid
4 8 which are to be paid during the fiscal year may exceed the
4 9 total amount appropriated, the director shall estimate the
4 10 percentage of the credits and reimbursements which will be
4 11 funded by the appropriation. The county treasurer shall notify
4 12 the director of the amount of property tax credits claimed by
4 13 June 8, 2010. The director shall estimate the percentage of
4 14 the property tax credits and rent reimbursement claims that
4 15 will be funded by the appropriation and notify the county
4 16 treasurer of the percentage estimate by June 15, 2010. The
4 17 estimated percentage shall be used in computing for each claim
4 18 the amount of property tax credit and reimbursement for rent
4 19 constituting property taxes paid for that fiscal year. If
4 20 the director overestimates the percentage of funding, claims
4 21 for reimbursement for rent constituting property taxes paid
4 22 shall be paid until they can no longer be paid at the estimated
4 23 percentage of funding. Rent reimbursement claims filed after
4 24 that point in time shall receive priority and shall be paid in
4 25 the following fiscal year.

4 26 Sec. 6. PERFORMANCE OF DUTY. There is appropriated from
4 27 the cash reserve fund created in section 8.56 to the executive
4 28 council for the fiscal year beginning July 1, 2010, and ending
4 29 June 30, 2011, the following amount, or so much thereof as is
4 30 necessary, to be used for the purposes designated:

4 31 For performance of duty by the executive council in sections
4 32 7D.29 and 29C.20:
4 33 \$ 30,000,000

4 34 The funding from the appropriation made in this section
4 35 shall be utilized before any funding from the general fund of



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3249 continued

5 1 the state.

5 2 Sec. 7. CASH RESERVE FUND APPROPRIATIONS. Section 8.56,
5 3 subsections 3 and 4, shall not apply to any appropriation made
5 4 in this Act from the cash reserve fund created in section 8.56.

5 5 Sec. 8. EFFECTIVE DATES. The section of this Act creating
5 6 the property tax credit fund, being deemed of immediate
5 7 importance, takes effect upon enactment.

5 8

DIVISION II

5 9

DISASTER-RELATED CASUALTY LOSSES

5 10 Sec. 9. Section 422.9, subsection 2, Code Supplement 2009,
5 11 is amended by adding the following new paragraph:

5 12 NEW PARAGRAPH. j. A taxpayer is allowed to take the
5 13 deductions for disaster-related casualty losses allowed under
5 14 section 165(h) of the Internal Revenue Code, as amended by the
5 15 federal Emergency Economic Stabilization Act of 2008, Pub.
5 16 L. No. 110=343, in computing taxable income for state tax
5 17 purposes.

5 18 Sec. 10. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
5 19 APPLICABILITY. This division of this Act, being deemed of
5 20 immediate importance, takes effect upon enactment and applies
5 21 retroactively to January 1, 2008, for tax years beginning on
5 22 or after that date.

5 23

EXPLANATION

5 24 This bill relates to state financial matters. The bill is
5 25 divided into divisions.

5 26 DIVISION I. For the budget process applicable to FY
5 27 2011=2012, state agencies are required to submit estimates and
5 28 other expenditure information as called for by the director
5 29 of management instead of the information required under Code
5 30 section 8.23.

5 31 The division limits the standing unlimited appropriation for
5 32 FY 2010=2011 for payment for nonpublic school transportation
5 33 and for the state's share of the cost of the peace officers'
5 34 retirement benefits. The division limits the standing limited
5 35 appropriation for FY 2010=2011 for operational support grants



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3249 continued

6 1 and community cultural grants, for regional tourism marketing,
6 2 for the enforcement of Code chapter 453D, for the center for
6 3 congenital and inherited disorders central registry, for
6 4 primary and secondary child abuse prevention programs, and for
6 5 programs for at-risk children.
6 6 The division eliminates for FY 2010=2011 a standing
6 7 appropriation for instructional support state aid.
6 8 The division requires the university of northern Iowa to
6 9 maintain efforts of the Iowa mathematics and science coalition.
6 10 For FY 2010=2011, the division funds the following property
6 11 tax credits from the property tax credit fund created in the
6 12 bill instead of entirely funded from the general fund of the
6 13 state: homestead, agricultural land and family farm, military
6 14 service, and elderly and disabled tax credit and reimbursement.
6 15 The division appropriates moneys from the general fund and the
6 16 cash reserve fund for deposit in the property tax credit fund.
6 17 These provisions take effect upon enactment.
6 18 The division appropriates moneys from the cash reserve fund
6 19 to the executive council for FY 2010=2011 for performance of
6 20 duty by the executive council. The division requires that such
6 21 moneys must be used prior to the standing appropriation made
6 22 from the general fund for the same purposes.
6 23 The division appropriates moneys from the cash reserve fund
6 24 to the general fund of the state for FY 2010=2011.
6 25 The division provides that certain cash reserve fund
6 26 requirements do not apply to any appropriations made in the
6 27 division from the cash reserve fund.
6 28 DIVISION II. This division of the bill relates to
6 29 disaster-related casualty losses.
6 30 The division allows a taxpayer to take the deduction for
6 31 disaster-related casualty losses allowed under section 165(h)
6 32 of the Internal Revenue Code, as amended by the federal
6 33 Emergency Economic Stabilization Act of 2008, in computing
6 34 taxable income for state tax purposes. The division takes
6 35 effect upon enactment and applies retroactively to January 1,



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

Senate Study Bill 3249 continued

7 1 2008, for tax years beginning on or after that date.
LSB 5106XG (1) 83
tm/jp



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250

SENATE FILE

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act relating to taxation, including the administration and
2 review of certain economic development programs and certain
3 tax incentive programs and the reenactment of the estate
4 tax and including effective date and retroactive and other
5 applicability provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
TLSB 5795XC (1) 83

tw/sc



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

PAG LIN

1 1 DIVISION I
1 2 REVIEW AND REAUTHORIZATION OF PROGRAMS
1 3 Section 1. INTENT AND PURPOSE.
1 4 1. It is the intent of the general assembly that each tax
1 5 credit, withholding credit, and revenue division program should
1 6 effectuate the purposes for which it was enacted and that the
1 7 cost of such programs should be included more readily in the
1 8 yearly budgeting process.
1 9 2. The purposes of this Act are to provide for the regular
1 10 review of all tax credit, withholding credit, and revenue
1 11 division programs in order to facilitate the reauthorization
1 12 of successful programs and to do so at a cost that can be
1 13 accommodated by the state's annual budget.
1 14 DIVISION II
1 15 LEGISLATIVE TAX EXPENDITURE COMMITTEE
1 16 Sec. 2. Section 2.45, Code Supplement 2009, is amended by
1 17 adding the following new subsection:
1 18 NEW SUBSECTION. 5. a. The legislative tax expenditure
1 19 committee which shall be composed of ten members of the general
1 20 assembly, consisting of five members from each house, to be
1 21 appointed by the legislative council.
1 22 b. The legislative tax expenditure committee shall have the
1 23 powers and duties described in section 2.48.
1 24 Sec. 3. NEW SECTION. 2.48 Legislative tax expenditure
1 25 committee == review of tax incentive programs.
1 26 1. Statement of principles of sound tax policy. The
1 27 legislative tax expenditure committee shall do all of the
1 28 following:
1 29 a. Issue a statement of principles of sound tax policy.
1 30 (1) In issuing the statement, the committee may consult with
1 31 the department of revenue, the legislative services agency,
1 32 and independent experts who have demonstrated expertise in
1 33 matters of tax policy, fiscal policy, and public finance such
1 34 as that typically found among tax attorneys, certified public
1 35 accountants, and faculty members at institutions of higher



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

2 1 learning in the state.

2 2 (2) The statement shall reflect to the extent practicable

2 3 the best practices of state and local taxation as recognized

2 4 by experts in the fields of economics, fiscal policy, law,

2 5 accounting, and public finance.

2 6 (3) The statement shall address issues of equity,

2 7 simplicity, competitiveness, public purpose, and adequacy as

2 8 those issues pertain to taxation in Iowa.

2 9 b. Evaluate any tax expenditure available under Iowa law

2 10 and assess its conformance with the statement of principles of

2 11 sound tax policy issued pursuant to paragraph "a". For purposes

2 12 of this section, "tax expenditure" means an exclusion from

2 13 the operation or collection of a tax imposed in this state.

2 14 Tax expenditures include tax credits, exemptions, deductions,

2 15 and rebates. Tax expenditures also include sales tax refunds

2 16 issued pursuant to section 423.3 or section 423.4.

2 17 c. Establish and maintain a system for making available

2 18 to the public information about the amount and effectiveness

2 19 of tax expenditures, and the extent to which tax expenditures

2 20 comply with the statement of principles of sound tax policy.

2 21 2. Review of tax expenditures == budget estimates. The

2 22 legislative tax expenditure committee shall do all of the

2 23 following:

2 24 a. Engage in the regular review of the state's tax

2 25 expenditures.

2 26 (1) In reviewing tax expenditures, the committee may review

2 27 any tax expenditure at any time, but shall at a minimum perform

2 28 the reviews described in subsection 3.

2 29 (2) For each tax expenditure reviewed, the committee shall

2 30 submit a report to the legislative council containing the

2 31 results of the review. The report shall contain a statement

2 32 of the policy goals of the tax expenditure and a return on

2 33 investment calculation for the tax expenditure. For purposes

2 34 of this subparagraph, "return on investment calculation"

2 35 means analyzing the cost to the state of providing the tax



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

3 1 expenditure, analyzing the benefits realized by the state from
3 2 providing the tax expenditure, and reaching a conclusion as to
3 3 whether the benefits of the tax expenditure are worth the cost
3 4 to the state of providing the tax expenditure.
3 5 (3) The report described in subparagraph (2) may include
3 6 recommendations for better aligning tax expenditures with the
3 7 principles of sound tax policy issued pursuant to subsection 1.
3 8 b. (1) Estimate for each fiscal year, in conjunction with
3 9 the legislative services agency and the department of revenue,
3 10 the cost of each individual tax expenditure and the total cost
3 11 of all tax expenditures, and by December 15 provide those
3 12 estimates to the governor for use in the preparation of the
3 13 budget message under section 8.22 and to the general assembly
3 14 to be used in the budget process.
3 15 (2) The estimates provided pursuant to subparagraph (1) may
3 16 include the committee's recommendations for the imposition of a
3 17 limitation on a specified tax expenditure, a limitation on the
3 18 total amount of tax expenditures, or any other recommendation
3 19 for a specific tax expenditure or the program under which the
3 20 tax expenditure is provided.
3 21 3. Schedule of review of certain tax expenditures. The
3 22 committee shall review the following tax expenditures and
3 23 incentives according to the following schedule:
3 24 a. In 2011:
3 25 (1) The high quality jobs program under chapter 15,
3 26 subchapter II, part 13.
3 27 (2) The tax credits for increasing research activities
3 28 available under sections 15.335, 15A.9, 422.10, and 422.33.
3 29 (3) Property tax revenue divisions for urban renewal areas
3 30 under section 403.19.
3 31 (4) Funding of urban renewal projects with increased local
3 32 sales and services tax revenues under section 423B.10.
3 33 b. In 2012:
3 34 (1) The targeted jobs withholding credits available under
3 35 section 403.19A.



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

- 4 1 (2) School tuition organization tax credits under sections
4 2 422.11S and 422.33.
4 3 (3) Tuition and textbook tax credits under section 422.12.
4 4 c. In 2013: the child and dependent care and early
4 5 childhood development tax credits under section 422.12C.
4 6 d. In 2014:
4 7 (1) Tax credits for investments in qualifying businesses
4 8 and community-based seed capital funds under chapter 15E,
4 9 division V.
4 10 (2) Historic preservation and cultural and entertainment
4 11 district tax credits under chapter 404A.
4 12 (3) Wind energy production tax credits under chapter 476B.
4 13 (4) Renewable energy tax credits under chapter 476C.
4 14 e. In 2015:
4 15 (1) The agricultural assets transfer tax credit under
4 16 section 175.37.
4 17 (2) The claim of right tax credit under section 422.5.
4 18 (3) The reduction in allocating income to Iowa by S
4 19 corporation shareholders under section 422.8.
4 20 (4) The minimum tax credit under sections 422.11B, 422.33,
4 21 and 422.60.
4 22 (5) The assistive device corporate tax credit under section
4 23 422.33.
4 24 (6) The charitable conservation contribution tax credit
4 25 under sections 422.11W and 422.33.
4 26 (7) The motor vehicle fuel tax credit under section 422.110.
4 27 4. A tax expenditure or incentive reviewed pursuant to
4 28 subsection 3 shall be reviewed again not more than five years
4 29 after the tax expenditure or incentive was most recently
4 30 reviewed.

4 31 DIVISION III

4 32 MAXIMUM AGGREGATE TAX CREDIT LIMIT FOR CERTAIN ECONOMIC
4 33 DEVELOPMENT PROGRAMS

4 34 Sec. 4. Section 15.119, subsection 1, Code Supplement 2009,
4 35 is amended by striking the subsection and inserting in lieu



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

5 1 thereof the following:

5 2 1. a. Notwithstanding any provision to the contrary in any
5 3 of the programs listed in subsection 2, the department, except
5 4 as provided in paragraph "b", shall not authorize for any one
5 5 fiscal year an amount of tax credits for the programs specified
5 6 in subsection 2 that is in excess of one hundred twenty million
5 7 dollars.

5 8 b. The department may authorize an amount of tax credits
5 9 during a fiscal year that is in excess of the amount specified
5 10 in paragraph "a", but the amount of such excess shall be counted
5 11 against the total amount of tax credits that may be authorized
5 12 for the next fiscal year.

5 13 DIVISION IV

5 14 FILM PROGRAM SUSPENSION

5 15 Sec. 5. Section 15.393, Code Supplement 2009, is amended by
5 16 adding the following new subsection:

5 17 NEW SUBSECTION. 5. The department shall not register a new
5 18 project pursuant to this section until July 1, 2012.

5 19 Sec. 6. EFFECTIVE UPON ENACTMENT. This division of this
5 20 Act, being deemed of immediate importance, takes effect upon
5 21 enactment.

5 22 DIVISION V

5 23 SUPPLEMENTAL RESEARCH ACTIVITIES CREDIT

5 24 Sec. 7. Section 15.335, Code Supplement 2009, is amended to
5 25 read as follows:

5 26 15.335 Research activities credit.

5 27 1. a. An eligible business may claim a corporate tax credit
5 28 for increasing research activities in this state during the
5 29 period the eligible business is participating in the program.

5 30 b. For purposes of this section, "research activities"
5 31 includes the development and deployment of innovative renewable
5 32 energy generation components manufactured or assembled in this
5 33 state. For purposes of this section, "innovative renewable
5 34 energy generation components" does not include a component
5 35 with more than two hundred megawatts of installed effective



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

6 1 nameplate capacity.

6 2 c. The tax credits for innovative renewable energy
6 3 generation components shall not exceed two million dollars.

6 4 2. a. ~~(1)~~ The In the case of an eligible business whose
6 5 gross revenues do not exceed twenty million dollars per year,
6 6 the credit equals the sum of the following:

6 7 ~~(a)~~ (1) ~~Six and one-half~~ Ten percent of the excess of
6 8 qualified research expenses during the tax year over the base
6 9 amount for the tax year based upon the state's apportioned
6 10 share of the qualifying expenditures for increasing research
6 11 activities.

6 12 ~~(b)~~ (2) ~~Six and one-half~~ Ten percent of the basic research
6 13 payments determined under section 41(e)(1)(A) of the Internal
6 14 Revenue Code during the tax year based upon the state's
6 15 apportioned share of the qualifying expenditures for increasing
6 16 research activities.

6 17 b. In the case of an eligible business whose gross revenues
6 18 exceed twenty million dollars per year, the credit equals the
6 19 sum of the following:

6 20 (1) Three percent of the excess of qualified research
6 21 expenses during the tax year over the base amount for the tax
6 22 year based upon the state's apportioned share of the qualifying
6 23 expenditures for increasing research activities.

6 24 (2) Three percent of the basic research payments determined
6 25 under section 41(e)(1)(A) of the Internal Revenue Code during
6 26 the tax year based upon the state's apportioned share of the
6 27 qualifying expenditures for increasing research activities.

6 28 ~~(2)~~ 3. The For purposes of subsection 2, the state's
6 29 apportioned share of the qualifying expenditures for increasing
6 30 research activities is a percent equal to the ratio of
6 31 qualified research expenditures in this state to total
6 32 qualified research expenditures.

6 33 ~~b.4.~~ a. In lieu of the credit amount computed in
6 34 paragraph "a", subparagraph ~~(1)~~ subsection 2, an eligible
6 35 business may elect to compute the credit amount for qualified



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

7 1 research expenses incurred in this state in a manner consistent
7 2 with the alternative incremental credit described in section
7 3 41(c)(4) of the Internal Revenue Code. The taxpayer may make
7 4 this election regardless of the method used for the taxpayer's
7 5 federal income tax. The election made under this paragraph is
7 6 for the tax year and the taxpayer may use another or the same
7 7 method for any subsequent year.

7 8 ~~e.~~ b. For purposes of the alternate credit computation
7 9 method in paragraph ~~"b"~~ "a", the credit percentages applicable
7 10 to qualified research expenses described in clauses (i), (ii),
7 11 and (iii) of section 41(c)(4)(A) of the Internal Revenue Code
7 12 are one and sixty-five hundredths percent, two and twenty
7 13 hundredths percent, and two and seventy-five hundredths
7 14 percent, respectively.

7 15 ~~2.~~ 5. The credit allowed in this section is in addition
7 16 to the credit authorized in section 422.10 and section 422.33,
7 17 subsection 5. However, if the alternative credit computation
7 18 method is used in section 422.10 or section 422.33, subsection
7 19 5, the credit allowed in this section shall also be computed
7 20 using that method.

7 21 ~~3.~~ 6. If the eligible business is a partnership, S
7 22 corporation, limited liability company, or estate or trust
7 23 electing to have the income taxed directly to the individual,
7 24 an individual may claim the tax credit allowed. The amount
7 25 claimed by the individual shall be based upon the pro rata
7 26 share of the individual's earnings of the partnership, S
7 27 corporation, limited liability company, or estate or trust.

7 28 ~~4.~~ 7. a. For purposes of this section, "base amount",
7 29 "basic research payment", and "qualified research expense" mean
7 30 the same as defined for the federal credit for increasing
7 31 research activities under section 41 of the Internal Revenue
7 32 Code, except that for the alternative incremental credit such
7 33 amounts are for research conducted within this state.

7 34 b. For purposes of this section, "Internal Revenue Code"
7 35 means the Internal Revenue Code in effect on January 1, 2009.



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

8 1 ~~5-~~ 8. Any credit in excess of the tax liability for the
8 2 taxable year shall be refunded with interest computed under
8 3 section 422.25. In lieu of claiming a refund, a taxpayer may
8 4 elect to have the overpayment shown on its final, completed
8 5 return credited to the tax liability for the following year.

8 6 ~~6-~~ 9. The department of revenue shall by February 15
8 7 of each year issue an annual report to the general assembly
8 8 containing the total amount of all claims made by employers
8 9 under this section, and the portion of the claims issued as
8 10 refunds, for all claims processed during the previous calendar
8 11 year. The report shall contain the name of each claimant for
8 12 whom a tax credit in excess of five hundred thousand dollars
8 13 was issued and the amount of the credit received.

8 14 Sec. 8. RETROACTIVE APPLICABILITY. This division of this
8 15 Act applies retroactively to January 1, 2010, for tax years
8 16 beginning on or after the date.

8 17 DIVISION VI

8 18 MAXIMUM AMOUNT OF ACCELERATED CAREER EDUCATION JOB CREDITS

8 19 Sec. 9. Section 260G.4B, subsection 1, Code 2009, is amended
8 20 to read as follows:

8 21 1. The total amount of program job credits from all
8 22 employers which shall be allocated for all accelerated career
8 23 education programs in the state in any one fiscal year shall
8 24 not exceed ~~the sum of three million dollars in the fiscal~~
~~8 25 year beginning July 1, 2000, three million dollars in the~~
~~8 26 fiscal year beginning July 1, 2001, three million dollars~~
~~8 27 in the fiscal year beginning July 1, 2002, four million~~
~~8 28 dollars in the fiscal year beginning July 1, 2003, and six~~
~~8 29 million dollars in the fiscal year beginning July 1, 2004,~~
~~8 30 and every fiscal year thereafter~~ five million four hundred
8 31 thousand dollars. ~~Any increase in program job credits above~~
~~8 32 the six-million-dollar limitation per fiscal year shall be~~
~~8 33 developed, based on recommendations in a study conducted by~~
~~8 34 the department of economic development, pursuant to this~~
~~8 35 section, Code Supplement 2003, of the needs and performance of~~



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

~~Senate Study Bill 3250 continued~~

~~9 1 approved programs in the fiscal years beginning July 1, 2000,~~
~~9 2 and July 1, 2001. A community college shall file a copy of~~
9 3 each agreement with the department of economic development.
9 4 The department shall maintain an annual record of the proposed
9 5 program job credits under each agreement for each fiscal year.
9 6 Upon receiving a copy of an agreement, the department shall
9 7 allocate any available amount of program job credits to the
9 8 community college according to the agreement sufficient for
9 9 the fiscal year and for the term of the agreement. When the
9 10 total available program job credits are allocated for a fiscal
9 11 year, the department shall notify all community colleges that
9 12 the maximum amount has been allocated and that further program
9 13 job credits will not be available for the remainder of the
9 14 fiscal year. Once program job credits have been allocated to
9 15 a community college, the full allocation shall be received by
9 16 the community college throughout the fiscal year and for the
9 17 term of the agreement even if the statewide program job credit
9 18 maximum amount is subsequently allocated and used.

9 19 DIVISION VII

9 20 MAXIMUM AMOUNT OF AGRICULTURAL ASSET TRANSFER TAX CREDITS

9 21 Sec. 10. Section 175.37, subsection 10, Code Supplement
9 22 2009, is amended to read as follows:

9 23 10. The amount of tax credit certificates that may be issued
9 24 pursuant to this section shall not exceed ~~six~~ two million
9 25 dollars in any fiscal year. The authority shall issue the tax
9 26 credit certificates on a first-come, first-served basis.

9 27 DIVISION VIII

9 28 ECONOMIC DEVELOPMENT REGION REVOLVING LOAN FUND TAX CREDIT

9 29 Sec. 11. Section 15E.231, subsection 2, Code Supplement
9 30 2009, is amended by striking the subsection.

9 31 Sec. 12. Section 15E.232, subsections 1 and 2, Code 2009,
9 32 are amended by striking the subsections.

9 33 Sec. 13. Section 422.33, subsection 17, Code Supplement
9 34 2009, is amended by striking the subsection.

9 35 Sec. 14. Section 422.60, subsection 9, Code Supplement



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

10 1 2009, is amended by striking the subsection.

10 2 Sec. 15. Section 533.329, subsection 2, paragraph k, Code
10 3 Supplement 2009, is amended by striking the paragraph.

10 4 Sec. 16. REPEAL. Sections 422.11K and 432.12F, Code 2009,
10 5 are repealed.

10 6 Sec. 17. RETROACTIVE APPLICABILITY. This division of this
10 7 Act applies retroactively to January 1, 2010, for tax years
10 8 beginning on or after that date.

10 9 DIVISION IX

10 10 MAXIMUM AMOUNT OF ENDOW IOWA TAX CREDITS

10 11 Sec. 18. Section 15E.305, subsection 2, unnumbered
10 12 paragraph 1, Code Supplement 2009, is amended to read as
10 13 follows:

10 14 The aggregate amount of tax credits authorized pursuant to
10 15 this section shall not exceed a total of ~~three~~ two million
10 16 seven hundred thousand dollars plus such additional credit
10 17 amount as provided by this section annually. The maximum
10 18 amount of tax credits granted to a taxpayer shall not exceed
10 19 five percent of the aggregate amount of tax credits authorized.

10 20 DIVISION X

10 21 MAXIMUM AMOUNT OF SCHOOL TUITION ORGANIZATION TAX CREDITS

10 22 Sec. 19. Section 422.11S, subsection 7, paragraph a,
10 23 subparagraph (2), Code 2009, is amended to read as follows:

10 24 (2) "Total approved tax credits" means ~~for the tax year~~
~~10 25 beginning in the 2006 calendar year, two million five hundred~~
~~10 26 thousand dollars, for the tax year beginning in the 2007~~
~~10 27 calendar year, five million dollars, and for tax years~~
10 28 beginning on or after January 1, ~~2008, seven~~ 2011, six million
10 29 five seven hundred fifty thousand dollars.

10 30 DIVISION XI

10 31 VENTURE CAPITAL == IOWA FUND OF FUNDS

10 32 Sec. 20. Section 15E.66, subsections 1 and 7, Code 2009, are
10 33 amended to read as follows:

10 34 1. The board may issue certificates and related tax
10 35 credits to designated investors which, if redeemed for the



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

11 1 maximum possible amount, shall not exceed a total aggregate
11 2 of ~~one hundred~~ sixty million dollars of tax credits. The
11 3 certificates shall be issued contemporaneously with a
11 4 commitment to invest in the Iowa fund of funds by a designated
11 5 investor. A certificate issued by the board shall have a
11 6 specific maturity date or dates designated by the board and
11 7 shall be redeemable only in accordance with the contingencies
11 8 reflected on the certificate or incorporated therein by
11 9 reference. A certificate and the related tax credit shall be
11 10 transferable by the designated investor. A tax credit shall
11 11 not be claimed or redeemed except by a designated investor or
11 12 transferee in accordance with the terms of a certificate from
11 13 the board. A tax credit shall not be claimed for a tax year
11 14 that begins earlier than the maturity date or dates stated
11 15 on the certificate. An individual may claim the credit of a
11 16 partnership, limited liability company, S corporation, estate,
11 17 or trust electing to have the income taxed directly to the
11 18 individual. The amount claimed by the individual shall be
11 19 based upon the pro rata share of the individual's earnings from
11 20 the partnership, limited liability company, S corporation,
11 21 estate, or trust. Any tax credit in excess of the taxpayer's
11 22 tax liability for the tax year may be credited to the tax
11 23 liability for the following seven years, or until depleted,
11 24 whichever is earlier.

11 25 7. In determining the ~~one hundred million dollar~~ maximum
11 26 aggregate limit in subsection 1 and the ~~twenty million~~
~~11 27 dollar fiscal year~~ limitation in subsection 5, the board shall
11 28 use the cumulative amount of scheduled aggregate returns on
11 29 certificates issued by the board to designated investors.
11 30 However, certificates and related tax credits which have
11 31 expired shall not be included and certificates and related tax
11 32 credits which have been redeemed shall be included only to the
11 33 extent of tax credits actually allowed.

11 34 Sec. 21. EFFECTIVE UPON ENACTMENT. This division of this
11 35 Act, being deemed of immediate importance, takes effect upon



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

12 1 enactment.

12 2

DIVISION XII

12 3

VENTURE CAPITAL == INVESTMENT TAX CREDIT

12 4 Sec. 22. Section 422.33, subsection 13, Code Supplement
12 5 2009, is amended by striking the subsection.

12 6 Sec. 23. Section 422.60, subsection 6, Code Supplement
12 7 2009, is amended by striking the subsection.

12 8 Sec. 24. Section 533.329, subsection 2, paragraph i, Code
12 9 Supplement 2009, is amended by striking the paragraph.

12 10 Sec. 25. REPEAL. Sections 15E.51, 422.11G, and 432.12B,
12 11 Code 2009, are repealed.

12 12 Sec. 26. RETROACTIVE APPLICABILITY. This division of this
12 13 Act applies retroactively to January 1, 2010, for tax years
12 14 beginning on or after that date.

12 15

DIVISION XIII

12 16 REFUNDABLE INVESTMENT TAX CREDITS FOR VALUE=ADDED AGRICULTURAL
12 17 PRODUCTS

12 18 Sec. 27. Section 15.333, subsection 3, Code Supplement
12 19 2009, is amended by striking the subsection.

12 20 Sec. 28. RETROACTIVE APPLICABILITY. This division of this
12 21 Act applies retroactively to January 1, 2010, for tax years
12 22 beginning on or after that date.

12 23

DIVISION XIV

12 24 MAXIMUM AMOUNT OF HISTORIC TAX CREDITS

12 25 Sec. 29. Section 404A.4, subsection 2, Code Supplement
12 26 2009, is amended by adding the following new paragraph:

12 27 NEW PARAGRAPH. d. For the fiscal year beginning July 1,
12 28 2012, and for each fiscal year thereafter, the department shall
12 29 reserve not more than forty=five million dollars worth of tax
12 30 credits for any one taxable year.

12 31 Sec. 30. Section 404A.4, subsection 4, paragraph a, Code
12 32 Supplement 2009, is amended to read as follows:

12 33 a. The total amount of tax credits that may be approved
12 34 for a fiscal year prior to the fiscal year beginning July
12 35 1, 2012, under this chapter shall not exceed fifty million



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

13 1 dollars. The total amount of tax credits that may be approved
13 2 for a fiscal year beginning on or after July 1, 2012, shall not
13 3 exceed forty-five million dollars.

13 4 DIVISION XV

13 5 ESTATE TAX REENACTED

13 6 Sec. 31. NEW SECTION. 451.1 Definitions.

13 7 As used in this chapter, unless the context otherwise
13 8 requires:

13 9 1. "Adjusted taxable estate" means the taxable estate
13 10 computed for federal estate tax purposes reduced by sixty
13 11 thousand dollars.

13 12 2. "Federal estate tax" means the tax imposed by the
13 13 provisions of the Federal Estate Tax Act.

13 14 3. "Federal Estate Tax Act" and all such similar terms,
13 15 means Title III of chapter 27 of the Acts of the Sixty-ninth
13 16 Congress of the United States, first session, appearing in
13 17 44 Statutes at Large, chapter 27, as of January 1, 2000, as
13 18 amended.

13 19 4. "Gross estate" means the gross estate as determined under
13 20 section 451.3.

13 21 5. "Internal Revenue Code" means the Internal Revenue Code
13 22 as of the implementation date of this chapter, as specified in
13 23 section 451.13.

13 24 6. "Iowa estate tax" means the tax imposed by this chapter.

13 25 7. "Month" means a calendar month.

13 26 8. "Net estate" means the net estate as determined under the
13 27 provisions of section 451.3.

13 28 9. "Personal representative" means the executor of the will
13 29 or administrator of the estate of the decedent, or if there
13 30 is no such executor or administrator appointed, qualified and
13 31 acting, then any person in actual or constructive possession of
13 32 any property included in the gross estate of the decedent.

13 33 Sec. 32. NEW SECTION. 451.2 Additional tax.

13 34 1. An amount equal to the federal estate tax credit for
13 35 state inheritance and estate taxes as allowed in the Internal



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

14 1 Revenue Code is imposed upon every transfer of the net estate
14 2 of every decedent being a resident of, or owning property in,
14 3 this state.

14 4 2. If the decedent is a resident of Iowa and all property
14 5 is located in Iowa, or is subject to the jurisdiction of the
14 6 courts of Iowa, an amount equal to the tax imposed under
14 7 subsection 1 shall be paid to the state of Iowa. If the
14 8 decedent is a nonresident or if property is located outside the
14 9 state of Iowa and not subject to jurisdiction of Iowa courts,
14 10 the tax shall be prorated on the basis that the Iowa property
14 11 bears to the total gross estate for federal tax purposes.

14 12 3. The total tax or the Iowa share of the total tax shall be
14 13 credited with the amount of any inheritance tax due the state
14 14 of Iowa as provided in chapter 450.

14 15 Sec. 33. NEW SECTION. 451.3 Gross and net estate.

14 16 The gross estate shall be the same as finally determined for
14 17 federal estate tax and the net estate shall be the gross estate
14 18 less deductions as permitted by federal law, in arriving at the
14 19 net taxable federal estate, all determined as provided in the
14 20 Internal Revenue Code.

14 21 Sec. 34. NEW SECTION. 451.4 Tax on net estate.

14 22 The tax imposed by this chapter shall be upon the transfer
14 23 of the total net estate of every decedent dying after the
14 24 implementation date of this chapter as provided in section
14 25 451.13.

14 26 Sec. 35. NEW SECTION. 451.5 Duty of personal
14 27 representative.

14 28 The personal representative of a decedent whose estate may
14 29 be subject to the tax imposed by this chapter, shall file
14 30 in the office of the director of revenue, on or before the
14 31 last day of the ninth month after the death of the decedent,
14 32 duplicate copies of the estate tax return provided for in the
14 33 Federal Estate Tax Act, and in like manner, duplicate copies
14 34 of all supplemental or amended returns. The values of all
14 35 items included in the gross estate, as shown by those returns,



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

15 1 or supplemental or amended returns, shall be considered as
15 2 the values of those items for the purposes of this chapter.
15 3 In case of revaluation or correction of valuation of any of
15 4 those items, either by supplemental or amended returns, or
15 5 by the federal commissioner of internal revenue, or by an
15 6 appellate tribunal by which the value is finally determined,
15 7 the corrected values shall be considered as the values of those
15 8 items for the purposes of this chapter.

15 9 Sec. 36. NEW SECTION. 451.6 Payment of tax.
15 10 The tax imposed by this chapter shall be paid by the personal
15 11 representative to the department of revenue on or before the
15 12 last day of the ninth month after the death of the decedent.

15 13 Sec. 37. NEW SECTION. 451.7 Disposal of tax.
15 14 The proceeds of this tax shall be paid into the general fund
15 15 of the state.

15 16 Sec. 38. NEW SECTION. 451.8 Claim for credit or refund.
15 17 If the personal representative of a resident decedent
15 18 shall have paid to the treasurer of the United States or
15 19 to a collector of internal revenue an estate tax under the
15 20 provisions of the Federal Estate Tax Act in respect of property
15 21 included in the gross estate, determined as herein provided,
15 22 and shall have claimed as credits or deductions against the
15 23 federal estate tax a sum less than the maximum credits or
15 24 deductions allowed by the provisions of the Federal Estate Tax
15 25 Act for any estate, inheritance, legacy or succession taxes
15 26 actually paid to any state or territory of the United States,
15 27 or to the District of Columbia, it shall be the personal
15 28 representative's duty, with due diligence, to file in the
15 29 bureau of internal revenue a claim for credit or refund for
15 30 such amount, if any, as such estate shall be properly entitled
15 31 to receive under the provisions of the Federal Estate Tax Act
15 32 and of this chapter.

15 33 Sec. 39. NEW SECTION. 451.9 Appeal.
15 34 If any claim for refund or credit, or any part thereof,
15 35 shall be denied or disallowed by the commissioner of internal



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

16 1 revenue, the personal representative, the director of revenue,
16 2 or any person having an interest in said estate which may be
16 3 adversely affected by such denial or disallowance, may apply
16 4 to the judge of the court having jurisdiction of such estate,
16 5 for an order directing such personal representative to take,
16 6 perfect, and prosecute an appeal from the decision of the
16 7 commissioner of internal revenue to such court or tribunal as
16 8 may have jurisdiction of such matter, and, upon the granting
16 9 of such order, the director of revenue may assist in the
16 10 prosecution of such appeal. The judge of the court granting
16 11 such order may make a reasonable allowance for attorney fees
16 12 for the prosecution of such appeal, and direct the manner in
16 13 which the same, together with any other costs or expenses which
16 14 may be allowed by said court in connection therewith, shall be
16 15 paid.

16 16 Sec. 40. NEW SECTION. 451.10 Effect of allowance.

16 17 If any claim for credit or refund, or any part thereof, shall
16 18 be finally determined in favor of such personal representative,
16 19 any amount refunded or credited thereon shall inure to the
16 20 benefit of such estate.

16 21 Sec. 41. NEW SECTION. 451.11 Effect of disallowance.

16 22 If any claim for credit or refund or any part thereof,
16 23 shall be finally determined adversely to such personal
16 24 representative, for any reason other than lack of diligence or
16 25 other failure of duty on the personal representative's part,
16 26 the amount so denied or disallowed, or so much thereof as
16 27 shall have been paid to the department of revenue under the
16 28 provisions of this chapter, shall, upon a claim duly filed
16 29 with, and proper showing made to, the director of revenue,
16 30 be refunded by the department of revenue to such personal
16 31 representative, and shall inure to the benefit of such estate.

16 32 Sec. 42. NEW SECTION. 451.12 Applicable statutes
16 33 penalties.

16 34 All the provisions of chapter 450 with respect to the lien
16 35 provisions of section 450.7, and the determination, imposition,



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

17 1 payment, and collection of the tax imposed under that chapter,
17 2 including penalty and interest upon delinquent taxes and the
17 3 confidentiality of the tax return, are applicable to this
17 4 chapter, except as they are in conflict with this chapter. The
17 5 exceptions to the lien provisions found in section 450.7 do
17 6 not apply to this chapter. The penalty provisions set out in
17 7 section 450.53 shall apply to a person in possession of assets
17 8 to be reported for purposes of taxation who willfully makes a
17 9 false or fraudulent return or willfully fails to pay the tax,
17 10 supply the information, make, sign, or file the required return
17 11 within the time required by law or a person who willfully
17 12 attempts in any manner to evade taxes imposed by this chapter
17 13 or avoid payment of the tax. The director of revenue shall
17 14 adopt rules necessary for the enforcement of this chapter.

17 15 Sec. 43. NEW SECTION. 451.13 Contingent implementation
17 16 == applicability.

17 17 1. This chapter shall be implemented as of the date on
17 18 which an amendment to the Internal Revenue Code providing for
17 19 a credit against federal estate taxes owed for the amount of
17 20 state inheritance and estate taxes paid, pursuant to chapter
17 21 450 and this chapter, is applicable.

17 22 2. This chapter applies to the estates of persons dying on
17 23 or after the implementation date specified in subsection 1.

17 24 CONFORMING AMENDMENTS

17 25 Sec. 44. Section 12.71, subsection 8, Code 2009, is amended
17 26 to read as follows:

17 27 8. Bonds issued under the provisions of this section are
17 28 declared to be issued for a general public and governmental
17 29 purpose and all bonds issued under this section shall be exempt
17 30 from taxation by the state of Iowa and the interest on the
17 31 bonds shall be exempt from the state income tax and the state
17 32 inheritance and estate tax.

17 33 Sec. 45. Section 12.80, subsection 3, Code 2009, is amended
17 34 to read as follows:

17 35 3. Bonds issued under this section are declared to be



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

18 1 issued for an essential public and governmental purpose and all
18 2 bonds issued under this section shall be exempt from taxation
18 3 by the state of Iowa and the interest on the bonds shall be
18 4 exempt from the state income tax and the state inheritance and
18 5 estate tax.

18 6 Sec. 46. Section 12.81, subsection 8, Code 2009, is amended
18 7 to read as follows:

18 8 8. Bonds issued under the provisions of this section are
18 9 declared to be issued for a general public and governmental
18 10 purpose and all bonds issued under this section shall be exempt
18 11 from taxation by the state of Iowa and the interest on the
18 12 bonds shall be exempt from the state income tax and the state
18 13 inheritance and estate tax.

18 14 Sec. 47. Section 12.87, subsection 8, Code Supplement 2009,
18 15 is amended to read as follows:

18 16 8. Any bonds issued and sold under the provisions of this
18 17 section are declared to be issued and sold for an essential
18 18 public and governmental purpose, and all bonds issued and sold
18 19 under this section except as otherwise provided in any trust
18 20 indentures, resolutions, or other instruments authorizing their
18 21 issuance shall be exempt from taxation by the state of Iowa and
18 22 the interest on the bonds shall be exempt from the state income
18 23 tax and the state inheritance and estate tax.

18 24 Sec. 48. Section 12.90A, subsection 9, Code Supplement
18 25 2009, is amended to read as follows:

18 26 9. Annual appropriation bonds issued under this section are
18 27 declared to be issued for an essential public and governmental
18 28 purpose and all annual appropriation bonds issued under this
18 29 section shall be exempt from taxation by the state of Iowa
18 30 and the interest on the annual appropriation bonds shall be
18 31 exempt from the state income tax and the state inheritance and
18 32 estate tax.

18 33 Sec. 49. Section 12.91, subsection 9, Code 2009, is amended
18 34 to read as follows:

18 35 9. Bonds issued under the provisions of this section are



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

19 1 declared to be issued for a general public and governmental
19 2 purpose and all bonds issued under this section shall be exempt
19 3 from taxation by the state of Iowa and the interest on the
19 4 bonds shall be exempt from the state income tax and the state
19 5 inheritance and estate tax.

19 6 Sec. 50. Section 16.177, subsection 8, Code 2009, is amended
19 7 to read as follows:

19 8 8. Bonds issued under this section are declared to be
19 9 issued for an essential public and governmental purpose and all
19 10 bonds issued under this section shall be exempt from taxation
19 11 by the state of Iowa and the interest on the bonds shall be
19 12 exempt from the state income tax and the state inheritance and
19 13 estate tax.

19 14 Sec. 51. Section 321.47, subsection 2, Code 2009, is amended
19 15 to read as follows:

19 16 2. The persons entitled under the laws of descent and
19 17 distribution of an intestate's property to the possession
19 18 and ownership of a vehicle owned in whole or in part by a
19 19 decedent, upon filing an affidavit stating the name and date of
19 20 death of the decedent, the right to possession and ownership
19 21 of the persons filing the affidavit, and that there has been
19 22 no administration of the decedent's estate, which instrument
19 23 shall also contain an agreement to indemnify creditors of
19 24 the decedent who would be entitled to levy execution upon
19 25 the motor vehicle to the extent of the value of the motor
19 26 vehicle, are entitled upon fulfilling the other requirements of
19 27 this chapter, to the issuance of a registration card for the
19 28 interest of the decedent in the vehicle and a certificate of
19 29 title to it. If a decedent dies testate, and either the will is
19 30 not probated or is admitted to probate without administration,
19 31 the persons entitled to the possession and ownership of a
19 32 vehicle owned in whole or in part by the decedent may file
19 33 an affidavit and, upon fulfilling the other requirements of
19 34 this chapter, are entitled to the issuance of a registration
19 35 card for the interest of the decedent in the vehicle and a



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

20 1 certificate of title to the vehicle. The affidavit shall
20 2 contain the same information and indemnity agreement as is
20 3 required in cases of intestacy pursuant to this section. A
20 4 requirement of chapter 450 or 451 shall not be considered
20 5 satisfied by the filing of the affidavit provided for in this
20 6 section. If, from the records in the office of the county
20 7 treasurer, there appear to be any liens on the vehicle, the
20 8 certificate of title shall contain a statement of the liens
20 9 unless the application is accompanied by proper evidence of
20 10 their satisfaction or extinction. Evidence of extinction
20 11 may consist of, but is not limited to, an affidavit of the
20 12 applicant stating that a security interest was foreclosed as
20 13 provided in chapter 554, article 9, part 6.

20 14 Sec. 52. Section 421.60, subsection 2, paragraph c,
20 15 unnumbered paragraph 1, Code 2009, is amended to read as
20 16 follows:

20 17 If the notice of assessment or denial of a claim for refund
20 18 relates to a tax return filed pursuant to section 422.14 or
20 19 chapter 450 ~~or~~, 450A, or 451, by the taxpayer which designates
20 20 an individual as an authorized representative of the taxpayer
20 21 with respect to that return, or if a power of attorney has been
20 22 filed with the department by the taxpayer which designates an
20 23 individual as an authorized representative of the taxpayer with
20 24 respect to any tax that is included in the notice of assessment
20 25 or denial of a claim for refund, a copy of the notice together
20 26 with any additional information required to be sent to the
20 27 taxpayer shall be sent to the authorized representative as
20 28 well.

20 29 Sec. 53. Section 450.7, subsection 2, unnumbered paragraph
20 30 1, Code Supplement 2009, is amended to read as follows:

20 31 Notice of the lien is not required to be recorded. The
20 32 rights of the state under the lien have priority over all
20 33 subsequent mortgages, purchases, or judgment creditors; and a
20 34 conveyance after the decedent's death of the property subject
20 35 to a lien does not discharge the property except as otherwise



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

21 1 provided in this chapter. However, if additional tax is
21 2 determined to be owing under this chapter or chapter 451 after
21 3 the lien has been released under paragraph "a" or "b", the lien
21 4 does not have priority over subsequent mortgages, purchases,
21 5 or judgment creditors unless notice of the lien is recorded in
21 6 the office of the recorder of the county where the estate is
21 7 probated, or where the property is located if the estate has
21 8 not been administered. The department of revenue may release
21 9 the lien by filing in the office of the clerk of the court in
21 10 the county where the property is located, the decedent owner
21 11 died, or the estate is pending or was administered, one of the
21 12 following:

21 13 Sec. 54. Section 450.68, subsection 1, paragraph b, Code
21 14 Supplement 2009, is amended to read as follows:

21 15 b. Federal tax returns, copies of returns, return
21 16 information as defined in section 6103(b) of the Internal
21 17 Revenue Code, and state inheritance tax returns, which are
21 18 required to be filed with the department for the enforcement
21 19 of the inheritance and estate tax laws of this state, shall be
21 20 deemed and held as confidential by the department. However,
21 21 such returns or return information may be disclosed by the
21 22 director to officers or employees of other state agencies,
21 23 subject to the same confidentiality restrictions imposed on the
21 24 officers and employees of the department.

21 25 Sec. 55. Section 455G.6, subsection 14, Code Supplement
21 26 2009, is amended to read as follows:

21 27 14. Bonds issued under the provisions of this section are
21 28 declared to be issued for an essential public and governmental
21 29 purpose and all bonds issued under this chapter shall be exempt
21 30 from taxation by the state of Iowa and the interest on the
21 31 bonds shall be exempt from the state income tax and the state
21 32 inheritance and estate tax.

21 33 Sec. 56. Section 463C.12, subsection 8, Code 2009, is
21 34 amended to read as follows:

21 35 8. Tax=exempt bonds issued by the authority in connection



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

22 1 with the program, which are exempt from taxation for federal
22 2 tax purposes, are also exempt from taxation by the state of
22 3 Iowa and the interest on these bonds is exempt from state
22 4 income taxes and state inheritance and estate taxes.

22 5 Sec. 57. Section 524.1406, subsection 3, paragraph a, Code
22 6 2009, is amended to read as follows:

22 7 a. Notwithstanding any contrary provision in chapter
22 8 490, division XIII, in determining the fair value of the
22 9 shareholder's shares of a bank organized under this chapter
22 10 or a bank holding company as defined in section 524.1801 in a
22 11 transaction or event in which the shareholder is entitled to
22 12 appraisal rights, due consideration shall be given to valuation
22 13 factors recognized for federal and estate tax purposes,
22 14 including discounts for minority interests and discounts
22 15 for lack of marketability. However, any payment made to
22 16 shareholders under section 490.1324 shall be in an amount not
22 17 less than the stockholders' equity in the bank disclosed in its
22 18 last statement of condition filed under section 524.220 or the
22 19 total equity capital of the bank holding company disclosed in
22 20 the most recent report filed by the bank holding company with
22 21 the board of governors of the federal reserve system, divided
22 22 by the number of shares outstanding.

22 23 Sec. 58. Section 633.436, subsection 1, unnumbered
22 24 paragraph 1, Code 2009, is amended to read as follows:

22 25 Except as provided in sections 633.211 and 633.212, shares
22 26 of the distributees shall abate, for the payment of debts and
22 27 charges, federal and state estate taxes, legacies, the shares
22 28 of children born or adopted after the making of a will, or the
22 29 share of the surviving spouse who elects to take against the
22 30 will, without any preference or priority as between real and
22 31 personal property, in the following order:

22 32 Sec. 59. Section 633.449, Code 2009, is amended to read as
22 33 follows:

22 34 633.449 Payment of federal estate taxes.

22 35 All federal estate taxes, distinguished from state



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

23 1 inheritance and estate taxes, owing by the estate of a decedent
23 2 shall be paid from the property of the estate, unless the will
23 3 of the decedent, or other trust instrument, provides expressly
23 4 to the contrary.

23 5 Sec. 60. Section 633A.4703, unnumbered paragraph 1, Code
23 6 2009, is amended to read as follows:

23 7 Except as otherwise provided by the governing instrument,
23 8 where necessary to abate shares of the beneficiaries of a trust
23 9 for the payment of debts and charges, federal and state estate
23 10 taxes, bequests, the share of the surviving spouse who takes
23 11 an elective share, and the shares of children born or adopted
23 12 after the execution of the trust, abatement shall occur in the
23 13 following order:

23 14

DIVISION XVI

23 15

ENTERPRISE ZONES INTERIM STUDY COMMITTEE

23 16

Sec. 61. ENTERPRISE ZONES INTERIM STUDY COMMITTEE.

23 17

23 18 1. The legislative council is requested to establish an
23 19 interim study committee to evaluate the effectiveness of Iowa's
23 20 enterprise zone program and make recommendations on the future
23 21 of the program. In conducting the study, the committee shall
23 22 review the original policy goals of the program, the amount of
23 23 state assistance provided under the program, and the benefits
23 24 realized by the state through the administration of the
23 25 program, and shall reach a conclusion as to whether the amount
23 26 of assistance provided has been in proportion to the benefits
23 27 realized.

23 27

23 28 2. The committee shall be composed of ten members of the
23 29 general assembly. Five members shall be members of the senate,
23 30 three of whom shall be appointed by the majority leader of the
23 31 senate, and two of whom shall be appointed by the minority
23 32 leader of the senate. Five members shall be members of the
23 33 house of representatives, three of whom shall be appointed
23 34 by the speaker of the house of representatives, and two of
23 35 whom shall be appointed by the minority leader of the house of
23 36 representatives.



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

Senate Study Bill 3250 continued

25 1 certain tax credit, withholding credit, division of revenue,
25 2 and other financial assistance programs.

25 3 Division I of the bill expresses the intent and purposes of
25 4 the bill.

25 5 Division II of the bill creates a legislative tax
25 6 expenditure committee within the legislative council. The
25 7 committee is composed of 10 members of the general assembly,
25 8 five members from each house, appointed by the legislative
25 9 council.

25 10 The committee has a number of duties. The committee is
25 11 required to issue a statement of principles of sound tax
25 12 policy. In issuing the statement, the committee may consult
25 13 with the department of revenue, the legislative services
25 14 agency, and independent experts who have demonstrated expertise
25 15 in matters of tax policy, fiscal policy, and public finance.
25 16 The statement must reflect to the extent practicable the best
25 17 practices of state and local taxation as recognized by experts
25 18 in the fields of economics, fiscal policy, law, accounting, and
25 19 public finance. The statement must address issues of equity,
25 20 simplicity, competitiveness, public purpose, and adequacy as
25 21 those issues pertain to taxation in Iowa.

25 22 The committee shall evaluate any tax expenditure available
25 23 under Iowa law and assess its conformance with the statement of
25 24 principles of sound tax policy. "Tax expenditure" is defined
25 25 to mean an exclusion from the operation or collection of a tax
25 26 imposed in this state. Tax expenditures include tax credits,
25 27 exemptions, deductions, and rebates. Tax expenditures also
25 28 include sales tax refunds issued pursuant to Code section 423.3
25 29 or Code section 423.4.

25 30 The committee shall establish and maintain a system for
25 31 making available to the public information about the amount and
25 32 effectiveness of tax expenditures and the extent to which tax
25 33 expenditures comply with the statement of principles of sound
25 34 tax policy.

25 35 The committee must engage in the regular review of the



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

Senate Study Bill 3250 continued

26 1 state's tax expenditures. In reviewing tax expenditures, the
26 2 committee may review any tax expenditure at any time, but shall
26 3 at a minimum perform certain reviews according to a schedule
26 4 prescribed by statute. For each tax expenditure reviewed,
26 5 the committee must submit a report to the legislative council
26 6 containing the results of the review. The report must contain
26 7 a statement of the policy goals of the tax expenditure and
26 8 a return on investment calculation for the tax expenditure.
26 9 "Return on investment calculation" is defined to mean analyzing
26 10 the cost to the state of providing the tax expenditure,
26 11 analyzing the benefits realized by the state from providing
26 12 the tax expenditure, and reaching a conclusion as to whether
26 13 the benefits of the tax expenditure are worth the cost to the
26 14 state of providing it. The committee's report may also include
26 15 recommendations for better aligning tax expenditures with
26 16 principles of sound tax policy.

26 17 The committee must also estimate for each fiscal year,
26 18 in conjunction with the legislative services agency and
26 19 the department of revenue, the cost of each individual tax
26 20 expenditure and the total cost of all tax expenditures, and by
26 21 December 15 provide those estimates to the governor for use
26 22 in the preparation of the budget message under Code section
26 23 8.22 and to the general assembly to be used in the budget
26 24 process. The estimates provided may include the committee's
26 25 recommendations for the imposition of a limitation on a
26 26 specified tax expenditure, a limitation on the total amount of
26 27 tax expenditures, or any other recommendation for a specific
26 28 tax expenditure or the program under which the tax expenditure
26 29 is provided.

26 30 Division III of the bill reduces the amount of tax credits
26 31 that the department of economic development is allowed to
26 32 authorize for certain programs each year from \$185 million to
26 33 \$120 million, except as otherwise provided in the division.

26 34 Division IV of the bill prevents the department of economic
26 35 development from registering any new projects under the film,



Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010

Senate Study Bill 3250 continued

27 1 television, and video project promotion program until July 1,
27 2 2012. The division takes effect upon enactment.

27 3 Division V modifies the amount of the additional research
27 4 activities credit in Code section 15.335. Currently, the
27 5 amount of the credit is 6.5 percent of research expenditures.
27 6 The division provides that for businesses with annual gross
27 7 revenues less than \$20 million, the credit amount is 10
27 8 percent. For businesses with annual gross revenues greater
27 9 than \$20 million, the amount of the credit is 3 percent.
27 10 Division V applies retroactively to January 1, 2010, for tax
27 11 years beginning on or after that date.

27 12 Division VI of the bill reduces the maximum amount of
27 13 statewide program job credits that may be allocated to
27 14 community colleges under the accelerated career education
27 15 program in any one fiscal year to \$5.4 million. The maximum
27 16 amount is currently \$6 million.

27 17 Division VII of the bill reduces the maximum amount of
27 18 agricultural asset transfer tax credits that may be issued
27 19 in any one fiscal year to \$2 million. The maximum amount is
27 20 currently \$6 million.

27 21 Division VIII of the bill eliminates the economic
27 22 development region revolving loan fund tax credit program. The
27 23 division applies retroactively to January 1, 2010, for tax
27 24 years beginning on or after that date.

27 25 Division IX of the bill reduces the maximum amount of tax
27 26 credits that may be issued under the Endow Iowa program to \$2.7
27 27 million. The maximum amount is currently \$3 million.

27 28 Division X of the bill reduces the maximum amount of school
27 29 tuition organization tax credits that may be issued to \$6.75
27 30 million. The maximum amount is currently \$7.5 million.

27 31 Division XI reduces the maximum aggregate amount of tax
27 32 credits that may be issued under the Iowa fund of funds program
27 33 to \$60 million. Currently, \$100 million may be issued under
27 34 the program. The division takes effect upon enactment.

27 35 Division XII eliminates the venture capital fund investment



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

Senate Study Bill 3250 continued

28 1 tax credit and makes conforming amendments. The division
28 2 applies retroactively to January 1, 2010, for tax years
28 3 beginning on or after that date.

28 4 Division XIII of the bill eliminates the refundability
28 5 of certain tax credits for value-added agricultural products
28 6 available under the investment tax credit in Code section
28 7 15.333. The division applies retroactively to January 1, 2010,
28 8 for tax years beginning on or after that date.

28 9 Division XIV of the bill reduces the amount of historic
28 10 preservation and cultural and entertainment district tax
28 11 credits that can be reserved under Code chapter 404A from \$50
28 12 million per year to \$45 million. The reductions only impact
28 13 years in which the department has not yet approved projects
28 14 under the program.

28 15 Division XV of the bill relates to estate taxes. In
28 16 2001, Congress enacted the Economic Growth and Tax Relief
28 17 Reconciliation Act (EGTRRA) which reduced the federal estate
28 18 tax rates and increased the exemption level for estates for tax
28 19 years 2002 through 2009. In 2010, EGTRRA repeals the federal
28 20 estate tax completely. EGTRRA also phased out the tax credits
28 21 for state inheritance and estate taxes in 25 percent increments
28 22 between 2002 and 2005. Until 2008, Iowa had an estate tax,
28 23 the base and the amount of which were calculated based on the
28 24 federal tax credits phased out in EGTRRA. This type of tax was
28 25 referred to as a "pick-up tax". In 2008, Iowa's estate tax was
28 26 eliminated. This bill reenacts the estate tax, including the
28 27 base and amount calculations specified in the Internal Revenue
28 28 Code. The Code chapter reenacting the estate tax shall not be
28 29 implemented unless the federal tax credits are reenacted as
28 30 well.

28 31 Division XVI of the bill requests the legislative council
28 32 to establish an interim study committee to evaluate and make
28 33 recommendations regarding the enterprise zone program.

28 34 Division XVII of the bill requests the legislative council
28 35 to establish an interim study committee to evaluate and make



**Iowa General Assembly
Daily Bills, Amendments & Study Bills
March 11, 2010**

Senate Study Bill 3250 continued

29 1 recommendations regarding the industrial new jobs training
29 2 program.
LSB 5795XC (1) 83
tw/sc