



HOUSE REPUBLICAN STAFF ANALYSIS

Bill: Senate File 512
Committee: Appropriations and Ways and Means
Date: July 19, 2011
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Indigent Defense and Coupling Bill

Senate File 512 appropriates \$18.6 million in FY 2011 for indigent defense and the public defender. It was approved on a 36-12 vote on March 22.

Committee Amendment

The House Appropriations Committee changed the bill to allow the Governor to transfer funds already appropriated an amount necessary to pay attorneys who handle indigent defense cases. When the actual supplemental appropriation is approved as part of the package with the Tax Relief Fund, the funds that were transferred will be replenished by the supplemental appropriation.

The House Ways and Means Committee added the Governor's coupling tax changes. These changes were needed so taxpayers and tax preparers know what federal tax law changes the state of Iowa is going to confirm with. The amendment conforms (couples) Iowa tax law to incorporate federal changes enacted between January 1, 2008, and January 1, 2011.

- The revisions do not apply to the 2008 and 2009 tax years.
- Incorporates changes made by Congress in 2008-2010. Changes include the repeal of the limitation of itemized deductions, expands the earned income tax credit, child and dependent care credit, maintains student loan interest deduction, and increases limits on Section 179 expensing.

The changes reduce state revenue by \$19.3 million in FY 2011 and \$38.3 million in FY 2012.

The Senate approved the House amendment and the bill was sent to the Governor.

The Governor signed the tax coupling provisions but vetoed the transfer authority to cover indigent defense expenditures. That issue was resolved when SF 209 was signed by the Governor on April 21.