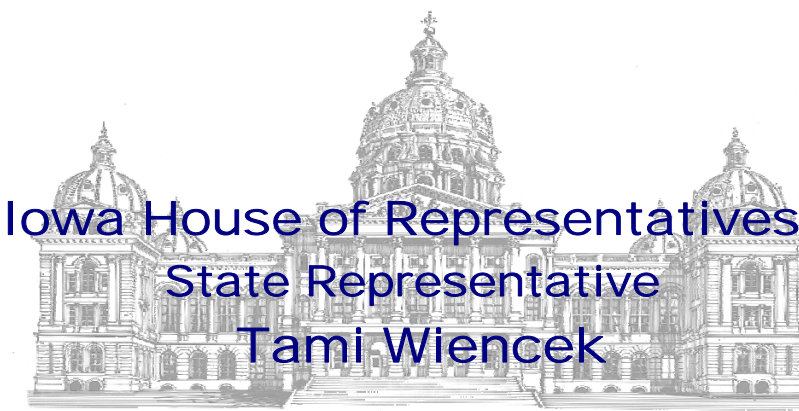


Address:
State Capitol
Des Moines, IA 50319

Phone: (515) 242-6442
Email:
tami.wiencek@legis.state.ia.us



**For the week of
February 18 – February
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In This Issue:

- **Future of House Smoking Ban Bill Lies with Senate**
- **Tax Issues to Watch**
- **Black History Month Celebration**

Future of House Smoking Ban Bill Lies with Senate

By now you've likely heard much about the smoking ban bill which passed the Iowa House this past Tuesday night. I've heard quite a bit about it too, and much of that feedback has been critical, while others, such as members of the American Cancer Society are happy at least some type of ban passed.

The Iowa Senate now has its work cut out for it when it debates the issue. It will not be surprising to see changes in the Senate which will then send its bill back to the House. This issue is far from over. For now, though, let me explain what the bill would do. Let me also explain why I voted against it.

The bill bans smoking in public places and places of employment, except those that are covered by exemptions in the bill. You can smoke in:

- Private residences – as long as they are not used as child care facilities and health care facilities
- Casinos
- Designated smoking rooms in hotels and motels
- Private and semi-private rooms in long term care facilities
- Tobacco stores
- Private clubs which do not have employees
- Limousines under private hire
- Veterans' clubs
- The Iowa Veterans' Home

You cannot smoke in or on:

- Property owned by state and local government
- Bus stops
- Enclosed working spaces
- Bars and restaurants and any outdoor seating they might have
- Outdoor sporting venues
- Public and private school grounds
- Private cars parked on school grounds

The bill also bans smoking on farming operations where more than one person is employed or volunteering. In some cases, that means farmers would not be legally allowed to smoke in the cabs of their own tractors if this bill becomes law.

The bill would also apply to the Iowa State Fair and sporting venues such as Iowa Speedway in Newton.

And business owners, pay attention to this. The ban extends ten feet outside doors or windows to any area covered in this bill. That means, for example, if you own a business, you will be liable if someone is caught smoking within ten feet of the doors and windows of your place of employment. You can also be held liable for that, even if you aren't aware someone is smoking within that distance of your doors or windows – just one of the details of this bill which came out in our five-hour debate.

Much of the debate, too, surrounded the fact casinos are exempted from the ban, but bars and restaurants are not. An amendment to include casinos in the ban failed. Also, an amendment to exempt bars and restaurants failed. Both were attempts to “clean up” the bill and make it fair. As I said in my newsletter a week ago, I do not think it’s fair to allow smoking at casinos, but not at local bars and restaurants. That creates an uneven playing field.

I also thought long and hard at the way this bill sets up boundaries for smoking. I question just how enforceable those boundaries are.

Let me be clear. No one in the chamber disagrees second-hand smoke is harmful. In fact, you would have seen more support if the bill at hand included no exemptions. But I had to vote on the language before me, and I believed this bill allowed government to go too far.

The next day, members and supporters of the American Cancer Society visited the Capitol to talk to us about the bill. I had a chance to tell a group from Waterloo why I voted the way I did. While they want a statewide smoking ban, they understood my reservations. I enjoyed talking with them and appreciate the time they took to come to Des Moines to make their stand for a cause in which they strongly believe.

To them, and to you, I say the state should have the courage to make this a “clean” bill with no exemptions if we truly believe smoking is so harmful. It’s estimated millions of people visit Iowa casinos every year. During our debate, some of my colleagues questioned why it was okay to allow casino patrons to be exposed to second-hand smoke, but not others. We know casinos bring dollars to the state’s coffers, and, we also know the answer to their smoking ban exemption lies in economics.



Pictured here with me is Tammy Houdek, a senior at West High who visited the capitol on Wednesday to advocate for the smoking ban. Tammy and I had a good conversation.

Tax Issue to Watch

A key piece of the economic stimulus package recently passed in Washington D.C. was the bonus depreciation element. The bill provides the taxpayer an additional 50-percent, first-year depreciation allowance for certain depreciable property. This depreciation allowance is in

addition to the amount of depreciation otherwise allowable in the first year. The 50% bonus depreciation is for property that is acquired during 2008.

Example: An individual purchases a new tractor in January of 2008 for \$100,000 to use for his or her farming business. The asset would normally be depreciated over a five year period or 20% each year. Under the law with the new change the total depreciation that could be taken for 2008 is \$60,000:

$\$100,000 \text{ (asset)} \times 50\% \text{ (bonus)} = \$50,000 \text{ bonus depreciation}$

$\$50,000 \text{ (new asset cost for calculation)} \times 20\% = \$10,000 \text{ regular depreciation}$

Total Under the Bonus Depreciation Provisions in 2008 = \$60,000

What does all this mean for Iowa tax law? As far as the individual income tax rebates, Iowans will not receive a check from the state – only from the U.S. Treasury. It is estimated that those checks will be mailed out in May of this year. Leaders of both parties have assured Iowans that the rebates will be exempt from state income taxes.

Bonus depreciation is different because those provisions are tax law changes. Iowa income tax provisions are rooted in federal tax law. When determining Iowa taxable income under the individual income tax the starting point is federal adjusted gross income. Any change to federal tax law therefore, has the potential to impact Iowa law.

For these reasons, it’s very important that the Iowa Legislature adopt changes made at the federal level or “couple” with the federal law so that hometown Iowa businesses are not hit with an income tax increase of up to \$30 million.

Black History Month Celebration

The Iowa Legislature, Governor Chet Culver and Lieutenant Governor Patty Judge celebrated Black History Month on Thursday in the chamber of the Iowa House of Representatives. The celebration included speeches, award presentations and music. Representative Deborah Berry of Waterloo presented two Waterloo residents with awards for Outstanding Leadership for Community Service. David Goodson, the Founder and CEO of Social Action Inc., and Rev. Belinda Creighton-Smith, of Faith Temple Baptist Church in Waterloo received those awards. It was a pleasure to be able to congratulate them during their visit to the Capitol.

