

15I.2 Wage-benefits tax credit.

1. *a.* Any nonretail, nonservice business may claim a tax credit equal to a percentage of the annual wages and benefits paid for a qualified new job created by the location or expansion of the business in the state. The tax credit shall be allowed against taxes imposed under chapter 422, division II, III, or V, and chapter 432 and against the moneys and credits tax imposed in section 533.24. The percentage shall be equal to the amount provided in subsection 2.

Any credit in excess of the tax liability shall be refunded. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return credited to the tax liability for the following taxable year.

b. If the business is a partnership, S corporation, limited liability company, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S corporation, limited liability company, or estate or trust.

2. The percentage of the annual wages and benefits paid for a qualified new job is determined as follows:

a. If the annual wage and benefits for the qualified new job equals less than one hundred thirty percent of the average county wage, zero percent.

b. If the annual wage and benefits for the qualified new job equals at least one hundred thirty percent but less than one hundred sixty percent of the average county wage, five percent.

c. If the annual wage and benefits for the qualified new job equals at least one hundred sixty percent of the average county wage, ten percent.

3. A qualified new job is entitled to the tax credit upon the end of the twelfth month of the job having been filled. Once a qualified new job is approved for a tax credit, tax credits for the next four subsequent tax years may be approved if the job continues to be filled and application is made as provided in section 15I.3. The percentage determined under subsection 2 for the first tax year shall continue to apply to subsequent tax credits as the credits relate to that qualified new job.

2005 Acts, ch 150, §56, 69

Section is effective June 9, 2005, and applies to qualified new jobs created and tax years ending on or after the effective date of division X of 2005 Acts, ch 150; 2005 Acts, ch 150, §69