

#### 404A.4 Project completion and tax credit certification — credit refund or carryforward.

1. Upon completion of the rehabilitation project, a certification of completion must be obtained from the state historic preservation office of the department of cultural affairs. A completion certificate shall identify the person claiming the tax credit under [this chapter](#) and the qualified rehabilitation costs incurred up to the two years preceding the completion date.

2. After verifying the eligibility for the tax credit, the state historic preservation office shall issue a historic preservation and cultural and entertainment district tax credit certificate to be attached to the person's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the date of project completion, the amount of credit, other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred. Of the amount of tax credits that may be approved in a fiscal year pursuant to [subsection 4](#), paragraph "a":

a. For the fiscal year beginning July 1, 2009, the department shall reserve not more than twenty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2009, and not more than thirty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2010.

b. For the fiscal year beginning July 1, 2010, the department shall reserve not more than twenty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2010, and not more than thirty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2011.

c. For the fiscal year beginning July 1, 2011, the department shall reserve not more than twenty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2011, and not more than thirty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2012.

3. A person receiving a historic preservation and cultural and entertainment district tax credit under [this chapter](#) which is in excess of the person's tax liability for the tax year is entitled to a refund. Any credit in excess of the tax liability shall be refunded with interest computed under [section 422.25](#). 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 year.

4. a. The total amount of tax credits that may be approved for a fiscal year under [this chapter](#) shall not exceed fifty million dollars.

b. Of the tax credits approved for a fiscal year under [this chapter](#), the amount of the tax credits shall be allocated as follows:

(1) Ten percent of the dollar amount of tax credits shall be allocated for purposes of new projects with final qualified rehabilitation costs of five hundred thousand dollars or less.

(2) Thirty percent of the dollar amount of tax credits shall be allocated for purposes of new projects located in cultural and entertainment districts certified pursuant to [section 303.3B](#) or identified in Iowa great places agreements developed pursuant to [section 303.3C](#).

(3) Twenty percent of the dollar amount of tax credits shall be allocated for disaster recovery projects. For purposes of this subparagraph, "disaster recovery project" means a property meeting the requirements of an eligible property as described in [section 404A.1, subsection 2](#), which is located in an area declared a disaster area by the governor or by a federal official and which has been physically impacted as a result of a natural disaster.

(4) Twenty percent of the dollar amount of the tax credits shall be allocated for projects that involve the creation of more than five hundred new permanent jobs. A taxpayer receiving a tax credit certificate for a project under this allocation shall provide information documenting the creation of the jobs to the department and to the department of economic development. The jobs shall be created within two years of the date a tax credit certificate is issued. The department of economic development shall verify the creation of the jobs. The amount of any tax credits received is subject to recapture by the department of revenue if the jobs are not created within two years. The department and the department of economic development may adopt rules for the implementation of this subparagraph. The rules shall provide for a method or form that allows a city or county to track the number of jobs created in the construction industry by the project.

(5) Twenty percent of the dollar amount of the tax credits shall be allocated for any eligible project.

c. (1) If, in any fiscal year, an amount of tax credits allocated pursuant to paragraph “b”, subparagraph (2) or (4), goes unclaimed, the amount of the unclaimed tax credits shall, during the same fiscal year, be reallocated to disaster recovery projects as described in paragraph “b”, subparagraph (3).

(2) If, in any fiscal year, an amount of tax credits reallocated pursuant to subparagraph (1) of this paragraph “c” goes unclaimed, the tax credits shall, during the same fiscal year, be reallocated to the projects described in paragraph “b”, subparagraph (5).

d. The departments of cultural affairs and revenue shall each adopt rules to jointly administer [this subsection](#) and shall provide by rule for the method to be used to determine for which fiscal year the tax credits are available.

e. With the exception of tax credits issued pursuant to contracts entered into prior to July 1, 2007, tax credits shall not be reserved for more than three years.

5. a. Tax credit certificates issued under [this chapter](#) may be transferred to any person or entity.

b. Within ninety days of transfer, the transferee must submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee’s name, tax identification number, and address, and the denomination that each replacement tax credit certificate is to carry and any other information required by the department of revenue.

c. Within thirty days of receiving the transferred tax credit certificate and the transferee’s statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement certificate must contain the information required under [subsection 2](#) and must have the same expiration date that appeared in the transferred tax credit certificate.

d. Tax credit certificate amounts of less than the minimum amount established by rule of the department of revenue shall not be transferable.

e. A tax credit shall not be claimed by a transferee under [this chapter](#) until a replacement tax credit certificate identifying the transferee as the proper holder has been issued.

f. The transferee may use the amount of the tax credit transferred against the taxes imposed under [chapter 422, divisions II, III, and V](#), and [chapter 432](#) for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under [chapter 422, divisions II, III, and V](#). Any consideration paid for the transfer of the tax credit shall not be deducted from income under [chapter 422, divisions II, III, and V](#).

2000 Acts, ch 1194, §6, 20; 2003 Acts, ch 133, §2 – 4; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §90, 209; 2004 Acts, ch 1001, §1; 2004 Acts, ch 1175, §395; 2005 Acts, ch 150, §23 – 25; 2006 Acts, ch 1158, §6; 2007 Acts, ch 165, §2, 3, 9; 2009 Acts, ch 98, §3

Referred to in [§404A.1](#), [404A.3](#), [422.11D](#), [422.33](#), [422.60](#), [432.12A](#)

For future repeal of 2003 amendment to subsection 4 effective June 30, 2010, see 2003 Acts, 1st Ex, ch 2, §93

2007 amendments to subsections 3 and 4 apply to historic preservation and cultural and entertainment district tax credits applied for or reserved prior to July 1, 2007; 2007 Acts, ch 165, §9

For provisions relating to reissuance of certain historic preservation and cultural and entertainment district tax credit certificates and modification of reservation date of reserved credits, see 2007 Acts, ch 165, §8, 9