
BUDGET UNIT BRIEF – FY 2024

Fiscal Services Division

July 1, 2023



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

High Quality Jobs Program — Skilled Worker and Job Creation Fund

History and Purpose

The [Iowa Economic Development Authority](#) (IEDA) has two main components for business incentives through the High Quality Jobs Program: tax credits, which are capped at \$170.0 million annually, and cash incentives, which are appropriated by the General Assembly. Within these tax credits and incentives, there are other programs that also have mandatory and discretionary allocation amounts.

Tax Credits

The IEDA tax credit cap was established during the 2009 Legislative Session with the enactment of [SF 483](#) (Tax Credit Limits — Net Operating Loss Carryback Elimination Act). This Act established the annual aggregate tax credit limit for economic development programs. The cap was set at \$185.0 million. If the IEDA exceeds the cap for a given fiscal year, the amount in excess is counted against the next fiscal year.

During the 2010 Legislative Session, the cap on the amount that could be awarded was adjusted to \$125.0 million with the enactment of [SF 2380](#) (Taxation — Credits, Expenditures, and Incentives — Estate Taxes Act).

During the 2011 Legislative Session, a maximum of \$10.0 million of the overall annual cap was set aside for the Redevelopment Tax Credit Program for Brownfield and Grayfield sites with the enactment of [SF 514](#) (Brownfields and Grayfields Redevelopment Tax Credit Program).

Also during the 2011 Legislative Session, additional allocations were made with the enactment of [SF 517](#) (Economic Development Appropriations Act). The tax credit amount for investments in qualifying businesses and community-based seed capital funds was set at \$2.0 million. The tax credit amount for investments in an innovation fund pursuant to Iowa Code section [15E.52](#) was set at \$8.0 million.

With the 2013 Legislative Session enactment of [HF 620](#) (IEDA Programs and Financial Assistance Act), the cap was increased to \$170.0 million.

The IEDA Board is allowed to reallocate amounts less than the sum provided in statute if it determines there is not enough demand. In one fiscal year, the cap may be exceeded by a maximum amount of 20.0% of the authorized annual cap.

Cash Incentives

During the 2012 Legislative Session, [HF 2337](#) (FY 2013 Economic Development Appropriations Act) appropriated \$15.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) for the High Quality Jobs

More Information

Iowa Economic Development Authority: www.iowaeconomicdevelopment.com
Main Street Program: www.iowaeconomicdevelopment.com/MainStreetIowa
LSA Staff Contact: Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov

Program. This is the successor program to the Economic Development Fund Financial Assistance Program (formerly Grow Iowa Values Fund). The appropriation from the Skilled Worker and Job Creation Fund (SWJCF) to the IEDA for the High Quality Jobs Program was first made during the 2013 Legislative Session, for FY 2014, with an appropriation in [HF 604](#) (FY 2014 Education Appropriations Act). The appropriation has been continued in the annual Economic Development Appropriations Act. The IEDA is permitted to allocate \$1.0 million from the SWJCF appropriation to the [Main Street Iowa Program](#). This was first allocated in [HF 620](#) (IEDA Programs and Financial Assistance Act) during the 2013 Legislative Session. The allocation has been continued in the Economic Development Appropriations Act each year. High Quality Jobs Program assistance and funding is outlined in Iowa Code section [15.335B](#).

Funding

Beginning with FY 2014, the appropriation for the High Quality Jobs Program cash incentives was moved to the SWJCF with the 2013 enactment of [HF 604](#) (FY 2014 Education Appropriations Act). An appropriation for the Program from the SWJCF has been continued in the annual Economic Development Appropriations Act.

Related Statutes and Administrative Rules

Iowa Code chapters [15](#) and [15E](#)
Iowa Administrative Code [261—68](#)

Budget Unit Number

2690EA70006

1366837