

**House File 2191 - Introduced**

HOUSE FILE 2191

BY MASCHER

**A BILL FOR**

1 An Act providing an individual income tax credit for the  
2 installation of certain farm machinery safety equipment,  
3 providing for the Act's future repeal, and including  
4 retroactive applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 262.78, Code 2009, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 6. The center shall evaluate farm safety  
4 technology such as roll-over protective structures, grain bin  
5 fall protection, lighting and marking for equipment operating  
6 on roadways, power take-off guarding, and safe combine header  
7 release mechanisms. The purchase and installation of an item  
8 of safety technology approved by the center shall be eligible  
9 for the farm machinery safety equipment tax credit as provided  
10 in section 422.11Y.

11 Sec. 2. NEW SECTION. **422.11Y Farm machinery safety**  
12 **equipment tax credit.**

13 1. *a.* The taxes imposed under this division, less the  
14 credits allowed under section 422.12, shall be reduced by a  
15 farm machinery safety equipment tax credit.

16 *b.* The credit shall be in an amount equal to twenty  
17 percent of the cost incurred by a taxpayer for the purchase  
18 and installation of certain qualified farm machinery safety  
19 equipment. For purposes of this section, "*qualified farm*  
20 *machinery safety equipment*" means an item of farm machinery  
21 safety equipment approved by the center for agricultural health  
22 and safety established in section 262.78.

23 *c.* The tax credit shall be available to taxpayers meeting  
24 the following conditions:

25 (1) The taxpayer is a farmer.

26 (2) The taxpayer employs ten or fewer employees.

27 *d.* An individual may claim a tax credit under this  
28 subsection of a partnership, limited liability company,  
29 S corporation, estate, or trust electing to have income  
30 taxed directly to the individual. The amount claimed by the  
31 individual shall be based upon the pro rata share of the  
32 individual's earnings from the partnership, limited liability  
33 company, S corporation, estate, or trust.

34 *e.* Any tax credit in excess of the taxpayer's tax liability  
35 for the tax year is not refundable, but the taxpayer may

1 elect to have the excess credited to the tax liability for  
2 the following five tax years or until depleted, whichever is  
3 earlier.

4 2. *a.* To claim a tax credit under this section, the  
5 taxpayer shall apply to the department of agriculture and land  
6 stewardship for a tax credit certificate. After verifying the  
7 eligibility of a taxpayer for a tax credit pursuant to this  
8 section, the department of agriculture and land stewardship  
9 shall issue a tax credit certificate to be attached to the  
10 taxpayer's tax return.

11 *b.* The tax credit certificates shall be issued in the  
12 following order:

13 (1) First to taxpayers participating in the center for  
14 agricultural health and safety's certified safe farm program  
15 according to the date of application.

16 (2) Then to all other taxpayers according to the date of the  
17 application.

18 *c.* The tax credit certificate shall contain the taxpayer's  
19 name, address, tax identification number, the amount of  
20 the credit, the certificate expiration date, and any other  
21 information required by the department.

22 *d.* To claim a tax credit under this section, a taxpayer must  
23 attach one or more tax credit certificates to the taxpayer's  
24 tax return. The tax credit certificate or certificates  
25 attached to the taxpayer's tax return shall be issued in the  
26 taxpayer's name, and the expiration date on the certificate  
27 shall be a date that falls on or after the last day of the  
28 taxable year for which the taxpayer is claiming the tax credit.

29 *e.* The tax credit certificate, unless otherwise void,  
30 shall be accepted by the department as payment toward the  
31 tax liability of the taxpayer, subject to any conditions or  
32 restrictions placed by the department upon the face of the  
33 tax credit certificate and subject to the limitations of this  
34 section.

35 *f.* Tax credit certificates issued under this section are not

1 transferable to any person or entity.

2 3. The maximum amount of tax credits that may be awarded to  
3 a taxpayer shall not exceed two thousand five hundred dollars  
4 in a tax year.

5 4. The maximum amount of tax credits that may be issued  
6 under this section in any fiscal year shall not exceed five  
7 hundred thousand dollars.

8 5. The department of agriculture and land stewardship shall  
9 not issue a tax credit pursuant to this section after June 30,  
10 2015.

11 6. This section is repealed on July 1, 2020.

12 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies  
13 retroactively to January 1, 2010, for tax years beginning on  
14 or after that date.

15 EXPLANATION

16 This bill provides for a credit against the individual  
17 income tax for a portion of the cost incurred by a taxpayer for  
18 the purchase and installation of certain farm machinery safety  
19 equipment.

20 The amount of the tax credit is equal to 20 percent of the  
21 cost incurred for the purchase and installation of an item  
22 of safety equipment that has been approved by the center for  
23 agricultural health and safety. To be eligible for a tax  
24 credit, a taxpayer must be a farmer employing ten or fewer  
25 employees.

26 The department of agriculture and land stewardship is  
27 directed to issue tax credit certificates to applicants for  
28 the tax credits. The certificates are to be issued first to  
29 taxpayers participating in the center for agricultural health  
30 and safety's certified safe farm program and then to all other  
31 taxpayers in order of the date of application.

32 A taxpayer may not be awarded more than \$2,500 of credits in  
33 any one tax year, and the maximum amount of tax credits that  
34 may be issued in one fiscal year is \$500,000.

35 The department of agriculture and land stewardship must

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1 cease to issue the tax credit certificates on June 30, 2015.

2 The tax credit is repealed on July 1, 2020.