

15.335A Tax incentives.

1. Tax incentives are available to eligible businesses as provided in this section. The incentives are based upon the number of jobs created or retained that pay at least one hundred thirty percent of the qualifying wage threshold as computed pursuant to section 15G.112, subsection 4, and the amount of the qualifying investment made according to the following schedule:

a. The number of jobs is zero and economic activity is furthered by the qualifying investment and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to one percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to one percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to one percent, the sales tax refund, and the additional research and development tax credit.

b. The number of jobs is one but not more than five and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to two percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to two percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to two percent, the sales tax refund, and the additional research and development tax credit.

c. The number of jobs is six but not more than ten and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to three percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to three percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to three percent, the sales tax refund, and the additional research and development tax credit.

d. The number of jobs is eleven but not more than fifteen and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to four percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to four percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to four percent, the sales tax refund, and the additional research and development tax credit.

e. The number of jobs is sixteen or more and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to five percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to five percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to five percent, the sales tax refund, and the additional research and development tax credit.

f. The number of jobs is thirty-one but not more than forty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to six percent, the sales tax refund, and the additional research and development tax credit.

g. The number of jobs is forty-one but not more than sixty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to seven percent, the sales tax refund, and the additional research and development tax credit.

h. The number of jobs is sixty-one but not more than eighty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to eight percent, the sales tax refund, and the additional research and development tax credit.

i. The number of jobs is eighty-one but not more than one hundred and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to nine percent, the sales tax refund, and the additional research and development tax credit.

j. The number of jobs is at least one hundred one and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to ten percent, the sales tax refund, and the additional research and development tax credit.

2. For purposes of this section:

a. *“Additional research and development tax credit”* means the research activities credit as provided under section 15.335.

b. *“Benefits”* means the same as defined in section 15G.101.

c. *“County wage”* means the same as defined in section 15G.101.

d. *“Investment tax credit”* means the investment tax credit or the insurance premium tax credit as provided under section 15.333 or 15.333A, respectively.

e. *“Local property tax exemption”* means the property tax exemption as provided under section 15.332.

f. *“Qualifying wage threshold”* means the same as defined in section 15G.101.

g. *“Regional wage”* means the same as defined in section 15G.101.

h. *“Sales tax refund”* means the sales and use tax refund as provided under section 15.331A or the corporate tax credit for certain sales taxes paid by third-party developers as provided under section 15.331C.

3. A community may apply to the Iowa economic development board for a project-specific waiver from the qualifying wage threshold requirement provided in subsection 1 in order to seek tax incentives for an eligible business. The board may grant a project-specific waiver from the qualifying wage threshold requirement in subsection 1 for the remainder of a calendar year, based on county wage or regional wage calculations brought forth by the applicant county including but not limited to any of the following:

a. The county wage calculated without wage data from the business in the county employing the greatest number of full-time employees.

b. The regional wage calculated without wage data from up to two adjacent counties.

c. The county wage calculated without wage data from the largest city in the county.

d. A qualifying wage guideline for a specific project based upon unusual economic circumstances present in the city or county.

e. The annualized, average hourly wage paid by all businesses in the county located outside the largest city of the county.

f. The annualized, average hourly wage paid by all businesses other than the largest employer in the entire county.

4. Each calendar year, the department shall not approve more than three million six hundred thousand dollars worth of investment tax credits for projects with qualifying investments of less than one million dollars.

5. The department shall negotiate the amount of tax incentives provided to an applicant under the program in accordance with this section and section 15G.112, as applicable.

2005 Acts, ch 150, §50, 69; 2008 Acts, ch 1191, §160; 2009 Acts, ch 123, §16; 2010 Acts, ch 1009, §1, 4

For aggregate limitations on amount of tax credits, see §15.119
Subsection 1, paragraph e amended