

15.293A Redevelopment tax credits.

1. *a.* A redevelopment tax credit shall be allowed against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, for a portion of a taxpayer's equity investment, as provided in subsection 3, in a qualifying redevelopment project.

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

c. Any tax credit in excess of the taxpayer's liability for the tax year is not refundable but may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer first receives the tax credit.

2. *a.* (1) The authority shall accept and, in conjunction with the council, review applications for tax credits pursuant to this section.

(2) Upon review of an application, the authority may register the project under the program. If the authority registers the project, the authority shall, in conjunction with the council, make a preliminary determination as to the amount of tax credit for which the investor qualifies.

(3) After registering the project, the authority shall issue a letter notifying the investor of successful registration under the program. The letter shall include the amount of tax credit for which the investor has received preliminary approval. The letter shall state that the amount is a preliminary determination only. The amount of tax credit included on a certificate issued pursuant to this section shall be contingent upon completion of the requirements of subparagraphs (4) and (5).

(4) Upon completion of a registered project, an audit of the project, completed by an independent certified public accountant licensed in this state, shall be submitted to the authority.

(5) Upon review of the audit and verification of the amount of the investment, the authority may issue a certificate to the investor stating the amount of tax credit the investor may claim.

b. (1) To claim a redevelopment tax credit under this section, a taxpayer must attach one or more tax credit certificates to the taxpayer's tax return. A tax credit certificate shall not be used or attached to a return filed for a taxable year beginning prior to July 1, 2009.

(2) The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of the credit, the name of the qualifying investor, any 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.

(3) The tax credit certificate, unless rescinded by the authority, shall be accepted by the department of revenue as payment for taxes imposed pursuant to chapter 422, divisions II, III, and V, and in chapter 432, and for the moneys and credits tax imposed in section 533.329, subject to any conditions or restrictions placed by the authority upon the face of the tax credit certificate and subject to the limitations of this section.

(4) Tax credit certificates issued under this section may be transferred to any person or entity. Within ninety days of transfer, the transferee shall 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, the denomination that each replacement tax credit certificate is to carry, and any other information required by the department of revenue.

(5) 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 tax credit certificate must contain the information required for the original tax credit certificate and must have the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule of the economic development authority shall not be transferable.

(6) A tax credit shall not be claimed by a transferee under this section until a replacement

tax credit certificate identifying the transferee as the proper holder has been issued. The transferee may use the amount of the tax credit transferred against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, 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.

3. The amount of the tax credit shall equal one of the following:

- a. Twelve percent of the taxpayer's qualifying investment in a grayfield site.
- b. Fifteen percent of the taxpayer's qualifying investment in a grayfield site if the qualifying redevelopment project meets the requirements of a green development.
- c. Twenty-four percent of the taxpayer's qualifying investment in a brownfield site.
- d. Thirty percent of the taxpayer's qualifying investment in a brownfield site if the qualifying redevelopment project meets the requirements of a green development.

4. For purposes of individual and corporate income taxes and the franchise tax, the increase in the basis of the redeveloped property that would otherwise result from the qualified redevelopment costs shall be reduced by the amount of the credit computed under this part.

5. The maximum amount of a tax credit for a qualifying investment in any one qualifying redevelopment project shall not exceed ten percent of the maximum amount of tax credits available in any one fiscal year pursuant to subsection 6.

6. For the fiscal year beginning July 1, 2009, the maximum amount of tax credits issued by the authority shall not exceed one million dollars. For each subsequent fiscal year, the amount of tax credits that may be issued by the authority shall be subject to the limitation in section 15.119.

7. An investment shall be deemed to have been made on the date the qualifying redevelopment project is completed.

8. A registered project shall be completed within thirty months of the project's approval unless the authority provides additional time to complete the project. A project shall not be provided more than twelve months of additional time. If the registered project is not completed within the time required, the project is not eligible to claim a tax credit pursuant to this section.

9. The authority shall develop a system for registration and authorization of projects receiving tax credits pursuant to this part and shall control distribution of all tax credits distributed to investors pursuant to this part. In developing the system, the authority shall provide for a list of applicants for the tax credit and maintain it from year to year so that if the maximum aggregate amount of tax credits available under the program is reached in one year, an applicant can be given priority consideration for the credit in an ensuing year.

10. The authority shall develop rules for the qualification of qualifying redevelopment projects and qualifying investments. The department of revenue shall adopt these criteria as administrative rules and shall adopt any other rules pursuant to chapter 17A necessary for the administration of this part.

11. The authority may cooperate with the department of natural resources and local governments in an effort to disseminate information regarding the availability of tax credits for investments in qualifying redevelopment projects under this part.

12. If the recipient of a tax credit issued pursuant to this section has also applied to the authority, the board, or any other agency of state government for additional financial assistance, the authority, the board, or agency of state government shall not consider the receipt of a tax credit issued pursuant to this section when considering the application for additional financial assistance.

13. This section is repealed on June 30, 2021.

2008 Acts, ch 1173, §2; 2011 Acts, ch 116, §5 - 7, 12; 2011 Acts, ch 118, §84, 85, 89; 2012 Acts, ch 1021, §10, 11; 2012 Acts, ch 1110, §3

Referred to in §2.48, 15.119, 15.293B, 15.294

[SP] 2011 amendments by 2011 Acts, ch 116, §5 - 7, apply retroactively to January 1, 2011, for tax years beginning on or after that date; 2011 Acts, ch 116, §12