

REVENUE DEPARTMENT[701]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 421.14 and 422.68, the Department of Revenue hereby adopts amendments to Chapter 12, “Filing Returns, Payment of Tax, Penalty and Interest,” Chapter 42, “Adjustments to Computed Tax and Tax Credits,” Chapter 46, “Withholding,” Chapter 52, “Filing Returns, Payment of Tax, Penalty and Interest, and Tax Credits,” and Chapter 58, “Filing Returns, Payment of Tax, Penalty and Interest, and Tax Credits,” Iowa Administrative Code.

Notice of Intended Action was published in IAB Vol. XXXVII, No. 7, p. 554, on October 1, 2014, as **ARC 1654C**.

Item 1 amends rule 701—12.9(15) to provide that the sales and use tax refund for eligible businesses includes businesses approved under the Workforce Housing Tax Incentives Program.

Item 2 amends paragraph 12.19(3)“b” to provide that the Department of Revenue may request invoices when reviewing sales and use tax refund claims filed by eligible businesses.

Items 3, 4, 7, 28, 33, 36 and 53 amend various rules and subrules for individual income, corporation income and franchise tax to provide that the Enterprise Zone Program is repealed effective July 1, 2014, but any tax credits earned by businesses approved under the Enterprise Zone Program remain valid and can be claimed on tax returns filed after July 1, 2014.

Items 5, 11, 12, 14, 15, 17 through 20, 24, 30, 31, 40, 41, 43, 44, and 46 through 49 amend various rules and subrules for individual income and corporation income tax to provide that tax credit certificates are included with tax return filings, instead of being attached to tax return filings.

Items 6, 8, 13, 16, 29, 34, 37, 42, 45 and 54 amend various rules and subrules for individual income, corporation income and franchise tax to provide a reference to an Economic Development Authority subrule regarding the calculation of repayment of tax incentives if an eligible business does not meet the requirements of a tax credit program. In addition, a reference to a Department of Revenue case on the repayment of tax incentives is provided.

Items 9, 38 and 55 amend subrules 42.17(2), 52.15(2) and 58.8(2) to provide that the excess of the \$3 million limitation of tax credits eligible for transfer in the 2013 and 2014 calendar years for housing developments located in brownfield sites or blighted areas cannot be claimed by a transferee prior to January 1, 2016, for individual income, corporation income and franchise tax.

Item 10 amends the implementation sentence for rule 701—42.17(15E).

Items 21 and 50 add new subrules 42.42(3) and 52.40(3) to provide for the repayment of tax incentives if an eligible business does not meet the requirements of the High Quality Jobs Program for individual and corporation income tax.

Item 22 amends rule 701—42.44(422) to update the sequence for the claiming of tax credits for individual income tax.

Items 23 and 51 amend rules 701—42.45(15) and 701—52.41(15) to update the list of economic development programs subject to an aggregate tax credit limit for individual and corporation income tax.

Items 25, 52 and 57 adopt new rules 701—42.53(15), 701—52.46(15) and 701—58.22(15) to provide for the new Workforce Housing Tax Incentives Program for individual income, corporation income and franchise taxes. The Economic Development Authority’s proposed 261—Chapter 48 (referenced within these new rules), which sets forth the new Workforce Housing Tax Incentives Program, was published under Notice of Intended Action as **ARC 1628C** in the September 17, 2014, Iowa Administrative Bulletin.

Item 26 amends subrule 46.9(1) to update the Iowa Code reference that provides for the supplemental new jobs credit from withholding.

Item 27 updates the implementation sentence for rule 701—46.9(15).

Item 32 amends rule 701—52.12(422) to update the sequence for the claiming of tax credits for corporation income tax.

Items 35, 39 and 56 update the implementation sentences for rules 701—52.14(15E), 701—52.15(15E) and 701—58.8(15E).

These amendments are identical to those published under Notice of Intended Action.

After analysis and review of this rule making, no adverse impact on jobs has been found. The tax credits may positively impact job and economic growth for businesses and individuals in the state of Iowa.

These amendments are intended to implement Iowa Code sections 15.331C, 15E.44, 15E.45, 15E.193B (2014 Iowa Code), 422.11S, 476B.6 and 476B.8 as amended by 2014 Iowa Acts, House File 2438; Iowa Code sections 422.33 and 422.60 as amended by 2014 Iowa Acts, House File 2448; and 2014 Iowa Acts, House File 2448, sections 15 and 19.

These amendments will become effective December 31, 2014, after filing with the Administrative Rules Coordinator and publication in the Iowa Administrative Bulletin.

EDITOR'S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [amendments to Chs 12, 42, 46, 52, 58] is being omitted. These amendments are identical to those published under Notice as **ARC 1654C**, IAB 10/1/14.

[Filed 11/5/14, effective 12/31/14]

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[For replacement pages for IAC, see IAC Supplement 11/26/14.]