

REVENUE DEPARTMENT[701]

Adopted and Filed

Rule making related to Hoover presidential library tax credit

The Revenue Department hereby amends Chapter 42, “Adjustments to Computed Tax and Tax Credits,” 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.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 422.68.

State or Federal Law Implemented

This rule making implements, in whole or in part, 2021 Iowa Acts, House File 588.

Purpose and Summary

This rule making implements 2021 Iowa Acts, House File 588, which created a Hoover Presidential Library Tax Credit for donations made to the Hoover Presidential Foundation for the Hoover Presidential Library and Museum Renovation Project Fund. The credit is available against a number of different tax types for donations made on or after July 1, 2021, and during tax years beginning on or after January 1, 2021, but before January 1, 2024.

The Economic Development Authority authorizes and controls the distribution of tax credits. The aggregate amount of tax credits that the Economic Development Authority may authorize is \$5 million.

These rules describe requirements for claiming the tax credit, including tax credit certificate issuances, carryforward, and other claim restrictions and requirements.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on October 20, 2021, as **ARC 5986C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Department on March 1, 2022.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa beyond that of the legislation it is intended to implement.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—7.28(17A).

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on May 11, 2022.

The following rule-making actions are adopted:

ITEM 1. Adopt the following **new** rule 701—42.57(15E,422):

701—42.57(15E,422) Hoover presidential library tax credit.

42.57(1) In general.

a. A taxpayer who makes an unconditional charitable donation to the Hoover presidential foundation for the Hoover presidential library and museum renovation project fund may qualify for a Hoover presidential library tax credit, subject to the availability of the credit and approval by the economic development authority.

b. The credit is equal to 25 percent of a donor's unconditional charitable donation that meets both of the following requirements:

(1) The donation is made on or after July 1, 2021.

(2) The donation is made during a donor's tax year beginning on or after January 1, 2021, but before January 1, 2024.

c. The amount of the donation for which the tax credit is claimed is not deductible in determining taxable income for Iowa tax purposes.

d. The administrative rules for the economic development authority's administration of this program are found in 261—Chapter 43 and describe the tax credit program cap limitations including reserved amounts, donor cap limitations, the application process and waitlist, and other requirements.

42.57(2) Claiming the credit.

a. Issuance of tax credit certificates. The economic development authority shall issue a tax credit certificate to each taxpayer who makes a qualifying donation and whose tax credit application has been approved. The tax credit certificate, designed by the department, will contain the name, address, and tax identification number of the taxpayer; the amount and date the contribution was made; the amount of the credit; the tax year to which the credit may be applied; the tax credit certificate number; and any other information required by the department. The tax credit certificate must be included with the tax return for the tax year during which the tax credit is claimed.

b. Year of claim. The tax credit shall be claimed for the tax year during which the donation is made. However, for a donor who has an application placed on the waitlist described in 261—subrule 43.5(3) and later has the waitlisted application approved for a reserved tax credit amount, the waitlisted donor shall claim the tax credit for the tax year during which the tax credit certificate is issued.

c. Allocation of credit to owners of a business entity or to beneficiaries of an estate or trust. If the taxpayer claiming the Hoover presidential library tax credit is a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual, an individual may claim the credit. 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.

d. Carryforward. Any tax credit in excess of the donor's tax 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 occurs first. A tax credit shall not be carried back to a tax year prior to the tax year for which the donor claims the tax credit.

e. Transferability. The credit may not be transferred to any other person.

This rule is intended to implement Iowa Code sections 15E.364 and 422.11T as enacted by 2021 Iowa Acts, House File 588, sections 1 and 2.

ITEM 2. Adopt the following new rule 701—52.50(15E,422):

701—52.50(15E,422) Hoover presidential library tax credit. A Hoover presidential library tax credit is available according to the same requirements, conditions, and limitations as described in rule 701—42.57(15E,422) and 261—Chapter 43.

This rule is intended to implement Iowa Code sections 15E.364 and 422.33(31) as enacted by 2021 Iowa Acts, House File 588, sections 1 and 3.

ITEM 3. Adopt the following new rule 701—58.25(15E,422):

701—58.25(15E,422) Hoover presidential library tax credit. A Hoover presidential library tax credit is available according to the same requirements, conditions, and limitations as described in rule 701—42.57(15E,422) and 261—Chapter 43.

This rule is intended to implement Iowa Code sections 15E.364 and 422.60(14) as enacted by 2021 Iowa Acts, House File 588, sections 1 and 4.

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