

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 38, “Administration,” Chapter 42, “Adjustments to Computed Tax and Tax Credits,” Chapter 51, “Administration,” Chapter 52, “Filing Returns, Payment of Tax, Penalty and Interest, and Tax Credits,” Chapter 57, “Administration,” 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. XXXIII, No. 2, p. 92, on July 28, 2010, as **ARC 8954B**.

Item 1 amends subrule 38.3(2) to provide that individuals should retain any records related to Iowa tax credits claimed on Iowa individual income tax returns.

Item 2 amends paragraph 42.11(3)“e” to add a cross reference to new subrule 52.7(6).

Item 3 amends subrule 42.14(2) for individual income tax to provide that the election to receive a refund of unused investment tax credit is no longer available for businesses eligible under the new jobs and income program and the enterprise zone program.

Item 4 amends the implementation clause for rule 701—42.14(15).

Item 5 amends paragraph 42.19(2)“a” for individual income tax to provide that \$45 million of historic preservation and cultural and entertainment district tax credits is available starting with the fiscal year beginning July 1, 2012.

Item 6 amends the implementation clause for rule 701—42.19(404A,422).

Item 7 amends subrule 42.22(2) for individual income tax to provide that the investment tax credit for equity investments in a venture capital fund is no longer available for investments made after July 1, 2010.

Item 8 amends the implementation clause for rule 701—42.22(15E,422).

Item 9 amends paragraph 42.23(2)“c” for individual income tax to provide that the election to receive a refund of unused investment tax credit is no longer available for businesses eligible under the new capital investment program.

Item 10 amends the implementation clause for rule 701—42.23(15).

Item 11 amends rule 701—42.24(15E,422) for individual income tax to provide that the amount of endow Iowa tax credits available starting with the 2010 calendar year is \$2.7 million plus a percentage of gaming revenues.

Item 12 amends the implementation clause for rule 701—42.24(15E,422).

Item 13 amends paragraph 42.29(2)“b” for individual income tax to provide that the election to receive a refund of unused investment tax credit is no longer available for businesses eligible under the high quality jobs creation program.

Item 14 amends rule 701—42.30(15E,422) for individual income tax to provide that the economic development region revolving fund tax credit is repealed for tax years beginning on or after January 1, 2010.

Item 15 amends the implementation clause for rule 701—42.30(15E,422).

Item 16 amends subrule 42.42(1) for individual income tax to reference new subrule 52.7(6) relating to changes in the calculation of the research activities credit for eligible businesses approved under the high quality jobs program.

Item 17 amends rule 701—42.45(15) for individual income tax to provide for the new aggregate tax credit limit for certain economic development programs for fiscal years beginning on or after July 1, 2010.

Item 18 amends subrule 51.3(2) to provide that corporations should retain any records related to Iowa tax credits claimed on Iowa corporation income tax returns. This is similar to the change in Item 1.

Item 19 amends subrule 52.7(5) for corporation income tax to provide that the calculation of the research activities credit for businesses eligible under the enterprise zone program has been changed for awards made by the Iowa Department of Economic Development on or after July 1, 2010.

Item 20 renumbers subrule 52.7(6) as 52.7(7), and Item 21 adopts new subrule 52.7(6) for corporation income tax to provide for the new calculation of the research activities credit for businesses eligible under the enterprise zone program for awards made by the Iowa Department of Economic Development on or after July 1, 2010.

Item 22 amends subrule 52.10(4) for corporation income tax to provide that the election to receive a refund of unused investment tax credit is no longer available for businesses eligible under the new jobs and income program. This is similar to the change in Item 3.

Item 23 amends the implementation clause for rule 701—52.10(15).

Item 24 amends rule 701—52.12(422) to update the sequence of tax credits for corporation income tax to include the disaster recovery housing project tax credit.

Item 25 amends subrule 52.14(3) for corporation income tax to reference new subrule 52.7(6) relating to changes in the calculation of the research activities credit for businesses eligible under the enterprise zone program.

Item 26 amends paragraph 52.18(2)“a” for corporation income tax to provide that \$45 million of historic preservation and cultural and entertainment district tax credits is available starting with the fiscal year beginning July 1, 2012. This is similar to the change in Item 5.

Item 27 amends the implementation clause for rule 701—52.18(422).

Item 28 amends subrule 52.21(2) for corporation income tax to provide that the investment tax credit for equity investments in a venture capital fund is no longer available for investments made after July 1, 2010. This is similar to the change in Item 7.

Item 29 amends the implementation clause for rule 701—52.21(15E,422).

Item 30 amends paragraph 52.22(2)“c” for corporation income tax to provide that the election to receive a refund of unused investment tax credit is no longer available for businesses eligible under the new capital investment program. This is similar to the change in Item 9.

Item 31 amends the implementation clause for rule 701—52.22(15).

Item 32 amends rule 701—52.23(15E) for corporation income tax to provide that the amount of endow Iowa tax credits available starting with the 2010 calendar year is \$2.7 million plus a percentage of gaming revenues. This is similar to the change in Item 11.

Item 33 amends the implementation clause for rule 701—52.23(15E).

Item 34 amends paragraph 52.28(2)“b” for corporation income tax to provide that the election to receive a refund of unused investment tax credit is no longer available for businesses eligible under the high quality jobs creation program. This is similar to the change in Item 13.

Item 35 amends rule 701—52.29(15E,422) for corporation income tax to provide that the economic development region revolving fund tax credit is repealed for tax years beginning on or after January 1, 2010. This is similar to the change in Item 14.

Item 36 amends the implementation clause for rule 701—52.29(15E,422).

Item 37 amends subrule 52.40(1) for corporation income tax to reference new subrule 52.7(6) relating to changes in the calculation of the research activities credit for eligible businesses approved under the high quality jobs program. This is similar to the change in Item 16.

Item 38 amends rule 701—52.41(15) for corporation income tax to provide for the new aggregate tax credit limit for certain economic development programs for fiscal years beginning on or after July 1, 2010. This is similar to the change in Item 17.

Item 39 amends subrule 52.42(2) to correct an error regarding the disaster recovery housing project tax credit for corporation income tax.

Item 40 amends subrule 57.3(2) to provide that financial institutions should retain any records related to Iowa tax credits claimed on Iowa franchise tax returns. This is similar to the change in Items 1 and 18.

Item 41 amends subrule 58.11(2) for franchise tax to provide that the investment tax credit for equity investments in a venture capital fund is no longer available for investments made after July 1, 2010. This is similar to the change in Items 7 and 28.

Item 42 amends the implementation clause for rule 701—58.11(15E,422).

Item 43 amends rule 701—58.13(15E) for franchise tax to provide that the amount of endow Iowa tax credits available starting with the 2010 calendar year is \$2.7 million plus a percentage of gaming revenues. This is similar to the change in Items 11 and 32.

Item 44 amends the implementation clause for rule 701—58.13(15E).

Item 45 amends rule 701—58.18(15E,422) for franchise tax to provide that the economic development region revolving fund tax credit is repealed for tax years beginning on or after January 1, 2010. This is similar to the change in Items 14 and 35.

Item 46 amends the implementation clause for rule 701—58.18(15E,422).

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

These amendments will become effective October 27, 2010, after filing with the Administrative Rules Coordinator and publication in the Iowa Administrative Bulletin.

These amendments are intended to implement Iowa Code sections 15.119, 15.333, 15.335, 15E.51, 15E.232, 15E.305, 404A.4, 422.11G, 422.11K, 422.33 and 422.60 as amended by 2010 Iowa Acts, Senate File 2380.

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 38, 42, 51, 52, 57, 58] is being omitted. These amendments are identical to those published under Notice as **ARC 8954B**, IAB 7/28/10.

[Filed 9/1/10, effective 10/27/10]

[Published 9/22/10]

[For replacement pages for IAC, see IAC Supplement 9/22/10.]