Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 49
"Historic Preservation Tax Credit"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 404A
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 404A

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 27, 2026 2:15 to 2:30 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Economic Development Authority no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 49 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the historic preservation tax credit available pursuant to Iowa Code chapter 404A as amended by 2025 Iowa Acts, Senate File 975. The program provides tax credits for the qualified rehabilitation expenditures for historic properties.

The new chapter will be clearer and more concise throughout and will omit language that duplicates statute. The new chapter will also incorporate content from 223—Chapter 48, which was adopted by the State Historic Preservation Office (SHPO) prior to its alignment with the Authority in 2023 Iowa Acts, Senate File 514. 223—Chapter 48 relates to the SHPO's review of projects receiving tax credits and will be rescinded as part of a concurrent rulemaking.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

Entities that apply for or that participate in the program will bear the costs of the rulemaking.

- **Classes of persons that will benefit from the proposed rulemaking:**

Entities that apply for or that participate in the program will benefit from the rulemaking.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

Entities applying for tax credits may require staff time to complete an application. Entities that receive tax credits may similarly incur costs to comply with reporting and monitoring requirements of the program. Some applicants and recipients may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary depending on the compensation of staff or service providers involved. Application processing fees are also required.

- **Qualitative description of impact:**

The program supports qualified rehabilitation expenditures for historic properties.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

Authority staff time is required to review and approve applications, issue tax credit certificates, review reports, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The proposed rulemaking has no anticipated impact on State revenues. Up to $45 million total in tax credits may be awarded by the Authority for this program in each fiscal year pursuant to Iowa Code section 404A.4.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Only the entities that will potentially benefit from the program bear the costs of the proposed rulemaking. The costs to the State to administer the program are proportional to the activities supported.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The Authority has not identified any less costly methods or less intrusive methods for administering the program.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Authority did not consider any other methods.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The Authority did not consider any other methods.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rulemaking impacts only small businesses seeking tax credits. The rulemaking sections regarding compliance and reporting requirements are no more stringent than necessary to

implement the purposes of the program. The rulemaking does not establish schedules or deadlines. The rulemaking does not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 49 and adopt the following **new** chapter in lieu thereof:

CHAPTER 49
HISTORIC PRESERVATION TAX CREDIT

261—49.1(404A) Definitions. For purposes of this chapter, unless the context otherwise requires:

"Agreement" means an agreement between an eligible taxpayer and the authority entered into pursuant to Iowa Code section 404A.3(3) and rule 261—49.12(404A).

"Applicant" means an eligible taxpayer that has submitted an application pursuant to this chapter.

"Authority" means the economic development authority established pursuant to Iowa Code section 15.105.

"Authority's website" means the information and related content found at www.opportunityiowa.gov.

"Barn" means an agricultural building or structure, in whatever shape or design, that was originally used for the storage of farm products or feed or for the housing of farm animals, poultry, or farm equipment.

"Eligible taxpayer" means the same as defined in Iowa Code section 404A.1(3).

"Federal rehabilitation credit" means the tax credit allowed under Section 47 of the Internal Revenue Code.

"Federal standards" means the U.S. Secretary of the Interior's standards for rehabilitation set forth in 36 CFR §67.7.

"Government funding" includes but is not limited to funding the applicant received from a federal, state, or local government; funding from a third party or a series of third parties where those funds originally came from a government or were derived from a government payment, grant, loan, tax credit or rebate or other government incentive; or funding from a third party or a series of third parties where those funds are derived from, secured by, or otherwise received in anticipation of a government payment, grant, loan, tax credit or rebate or other government incentive.

"Historically significant" means a property that is at least one of the following:

1. Property listed on the National Register of Historic Places or eligible for such listing.
2. Property designated as contributing to a district listed in the National Register of Historic Places or eligible for such designation.
3. Property or district designated a local landmark by a city or county ordinance.
4. A barn constructed prior to 1937.

"Large project" means a qualified rehabilitation project with estimated final qualified rehabilitation expenditures of more than $750,000.

"National Register of Historic Places" means the same as described in 36 CFR §60.

"Nonprofit organization" means the same as defined in Iowa Code section 404A.1(4).

"Part 1 application" means an application submitted to SHPO to determine whether a property is historically significant.

"Part 2 application" means an application submitted to SHPO to determine whether the proposed rehabilitation work meets the federal standards.

"Part 2B application" means an application submitted to the authority, after a Part 2 application has been approved by SHPO but before a Part 3 application is submitted, to determine whether a project should be registered for a tentative tax credit award.

"Part 3 application" means an application submitted to the authority, after a Part 2B application is approved, to determine whether a project has complied with the terms of an agreement as well as

with applicable laws, rules and regulations, including federal standards, and is therefore eligible for issuance of a tax credit certificate.

"Placed in service" means placed in a condition or state of readiness and availability for a specifically assigned function.

"Program" means the historic preservation tax credit program established pursuant to Iowa Code chapter 404A and this chapter.

"Property" means the real property that is the subject of a "qualified rehabilitation project" or that is the subject of an application to become a qualified rehabilitation project.

"Qualified rehabilitation expenditures" or *"QREs"* means expenditures that meet the definition of "qualified rehabilitation expenditures" in Section 47 of the Internal Revenue Code and as described in rule 261—49.3(404A).

"Qualified rehabilitation project" or *"project"* means the same as defined in Iowa Code section 404A.1(7).

"Related entities" means any entity owned or controlled in whole or in part by the applicant; any person or entity that owns or controls in whole or in part the applicant; or any entity owned or controlled in whole or in part by any current or prospective officer, principal, director, or owner of the applicant.

"Related persons" means any current or prospective officer, principal, director, member, shareholder, partner, or owner of the applicant.

"SHPO" means the state historic preservation office established within the authority and subject to the direction of the state historic preservation officer appointed pursuant to Iowa Code section 15.121.

"Small project" means a qualified rehabilitation project with estimated final qualified rehabilitation expenditures of $750,000 or less.

"Tax credit" means the historic preservation tax credit established in Iowa Code chapter 404A.

261—49.2(404A) Single-family dwelling units.

49.2(1) As part of the evaluation of any application submitted pursuant to this chapter, the authority, including SHPO, shall evaluate whether a property should be classified as a single-family dwelling unit and whether an applicant proposes a qualified rehabilitation project, both as described in Iowa Code section 404A.1(7).

49.2(2) To determine whether a property should be classified as a single-family dwelling unit for the purposes of Iowa Code section 404A.1(7), the authority may consider factors such as:

a. Whether a dwelling unit is separated from other dwelling units by a ground-to-roof wall;

b. Whether the dwelling unit has a separate heating system;

c. Whether the dwelling unit has an individual meter for public utilities;

d. Whether the dwelling unit has other dwelling units above or below;

e. The current use of the property; and

f. The intended future use of the property.

49.2(3) A building used for both commercial and residential purposes will be considered a single-family dwelling unit if more than 50 percent of the building is used for residential purposes as determined by the authority.

49.2(4) An applicant shall have the burden to establish that a proposed project including single-family dwelling units will result in two or more new single-family dwelling units that were not available for occupancy as residential housing during the immediately preceding consecutive six months prior to commencement of rehabilitation work on the property and the dwelling units are located in the same neighborhood.

49.2(5) The exclusion of single-family dwelling units as qualified rehabilitation projects in Iowa Code section 404A.1(7) does not apply if a Part 1 application was submitted for a property prior to July 1, 2025.

261—49.3(404A) Qualified rehabilitation expenditures. Qualified rehabilitation expenditures may include:

49.3(1) For projects registered on or after January 1, 2023, expenditures incurred within five years prior to the date an agreement is entered into under Iowa Code section 404A.3(3).

49.3(2) Reasonable developer fees. The authority may establish limits on developer fees and may adjust those limits. Any adjustment made to the established limit will take effect 24 months after the adjustment is published on the authority's website. Developer fees that are qualified rehabilitation expenditures and that meet the limits effective at the time the Part 2B application is submitted shall be deemed reasonable by the authority.

261—49.4(404A) Small projects.

49.4(1) If an applicant anticipates that the final qualified rehabilitation expenditures will exceed $750,000, the applicant shall not submit its application as a small project. The authority will not permit a small project applicant to submit additional or amended applications that would cause the final qualified rehabilitation expenditures to exceed $750,000.

49.4(2) For applicants that receive credits from the small project allocation, the cumulative total award for multiple applications for a single property shall not exceed $750,000 in qualified rehabilitation expenditures plus any allowable cost overruns as described in subrule 49.12(1) regardless of the final qualified rehabilitation expenditures.

49.4(3) Small project Part 2B applications may be accepted on a continuous basis or may be accepted during one or more application periods; however, an application must be submitted no later than 12 months after receipt of approval of a Part 2 application. Small project Part 2B applications may be evaluated on a first-come, first-served basis, subject to the availability of tax credits.

261—49.5(404A) Tax credit eligibility. Only an eligible taxpayer may submit an application pursuant to this chapter. A nonprofit organization may submit an application pursuant to this chapter if the nonprofit organization is the fee simple owner of the property.

49.5(1) In any application submitted pursuant to this chapter, an applicant that is not the fee simple owner of the property must provide the following:

a. Documentation that the property owner is aware of the application and has no objection.

b. Certification that the applicant understands that the authority will not issue a tax credit pursuant to this chapter if the applicant is not the fee simple owner or not otherwise an eligible taxpayer.

49.5(2) At the time a Part 1 application or Part 2 application is submitted, an applicant will be expected to provide preliminary documentation of the applicant's status as an eligible taxpayer.

a. An applicant that is the fee simple owner shall provide title documentation. If the title is held in the name of an entity, the applicant shall also provide documentation that indicates that the signatory is the authorized representative of the entity.

b. An applicant that is not the fee simple owner but plans to apply for the federal rehabilitation credit shall provide a copy of the approved federal Part 1 application, unless the property is individually listed on the National Register of Historic Places and certify that the applicant plans to apply and expects to qualify for the federal rehabilitation credit.

49.5(3) At the time an eligible taxpayer enters an agreement with the authority pursuant to rule 261—49.12(404A), the eligible taxpayer must provide documentation that the eligible taxpayer is a fee simple owner or has a binding qualified long-term lease that meets the requirements of the federal rehabilitation credit.

49.5(4) Governmental bodies as defined in Iowa Code section 362.2 may not apply for tax credits.

261—49.6(404A) Applications. All applications and other filings related to the program shall be on such forms and in accordance with such instructions as may be established by the authority,

including SHPO. Information about the program, including a link to the online applications and instructions, may be obtained by visiting the authority's website. An application shall not be considered submitted for review until the application is completed and all required supporting documentation and information are provided.

261—49.7(404A) Part 1 application.

49.7(1) *Submission period.* Part 1 applications may be submitted year-round. A Part 1 application must be submitted prior to the project being completed and placed in service.

49.7(2) *Required information.* Applicants must provide a site plan, photographs of the property taken prior to any rehabilitation and any new construction, a copy of the county assessor's statement for the property, applicable documentation of the applicant's status as an eligible taxpayer as described in subrules 49.6(1) and 49.6(2), information about the current and intended future uses of the property, and such other information as SHPO may require to assess whether the property is historically significant.

49.7(3) *Review process.* Generally, the SHPO will review fully completed Part 1 applications within 90 calendar days of receipt; however, this time frame is not mandatory. If the application is incomplete when submitted or if for any other reason SHPO must request additional information, the 90-day review period will restart when the requested information is received by the SHPO. The application may be rejected if any requested information is not provided.

49.7(4) *Response from SHPO.* Upon completion of the review, SHPO shall issue a determination regarding whether the property meets the requirements to be considered historically significant.

49.7(5) *Period of validity.* A determination that the property meets the requirements to be considered historically significant shall be valid for five years from the issuance of the determination, provided that the property is maintained in a manner consistent with federal standards and that the fee simple owner of the property remains the same during such period. Changes to the property that are not approved by SHPO shall automatically invalidate the determination of historical significance and require a new Part 1 application.

49.7(6) *Amendments.* An applicant may amend an approved Part 1 application prior to submission of a Part 2 application.

261—49.8(404A) Preapplication meeting. Once the completed Part 1 application is submitted, the applicant may request a preapplication meeting following the instructions provided by SHPO. The meeting will take place no fewer than 30 days after the submission of the Part 1 application and prior to submission of the Part 2 application. SHPO may instruct applicants on information to be submitted prior to the meeting or to be provided at the meeting.

261—49.9(404A) Part 2 application.

49.9(1) *Submission period.* Part 2 applications may be submitted at any time after the project has received an approved Part 1 application and the applicant has participated in a preapplication meeting.

49.9(2) *Required information.* The applicant must provide any information requested by SHPO, including but not limited to:

a. A detailed description of the rehabilitation;

b. An estimate of the total costs related to the rehabilitation and other work to be completed on the property, regardless of whether the costs are qualified rehabilitation costs;

c. An estimate of the qualified rehabilitation expenditures;

d. Photographs;

e. Applicable documentation of the applicant's status as an eligible taxpayer as described in subrules 49.6(1) and 49.6(2);

f. Information about the current and intended future uses of the property; and

g. Whether the applicant plans to submit a Part 2B application as a small project or a large project.

49.9(3) *Review process.* Generally, SHPO will review fully completed Part 2 applications within 90 calendar days of receipt; however, this time frame is not mandatory. If the application is incomplete when submitted or if SHPO must request additional information, the 90-day review period will restart when SHPO receives the requested information. The application may be rejected if any requested information is not provided.

49.9(4) *Response from SHPO.* The review of the complete Part 2 application will result in one of three responses:

a. The project is eligible to submit a Part 2B application because the proposed rehabilitation described in the application meets the federal standards;

b. The project is eligible to submit a Part 2B application because the proposed rehabilitation described in the application will likely meet the federal standards if stipulated conditions are met; or

c. The project is ineligible to submit a Part 2B application because the proposed rehabilitation does not meet the federal standards. The project may amend its Part 2 application or submit a new Part 2 application for the property to propose a rehabilitee that meets the federal standards.

49.9(5) *Amendments.* An applicant shall amend an approved Part 2 application to request review of modifications to the previously approved description of rehabilitation, including changes to the ownership of the project. Amendments to the Part 2 application shall not result in the awarding of additional tax credits for the project and may result in a reduction in or rescission of a tax credit award if SHPO determines that the work does not meet the federal standards or does not otherwise comply with the requirements of the program.

261—49.10(404A) Part 2B application. If SHPO has approved Part 1 and Part 2 applications for a project, the applicant may submit a Part 2B application.

49.10(1) *Submission period.* The authority will accept Part 2B applications for small projects as described in subrule 49.5(3). Applications for large projects will be accepted only during application periods established on the authority's website.

49.10(2) *Required information.* The Part 2B application must include the following information as well as any additional information the authority may request: any changes in ownership since submission of the Part 2 application, information about the current and intended future uses of the property, the total project cost, an estimated schedule of qualified rehabilitation expenditures, a schedule of all funding sources, including government funding, that will be used to fund the project in its entirety and documentation of all project funding sources.

49.10(3) *Certification and release of information.* The applicant must identify and list all related persons and related entities. The applicant must release information requested by the authority regarding the applicant, related persons, and related entities. The applicant must also certify that all representations, warranties, documents, or statements made or furnished in connection with the Part 2B application are true and accurate.

a. The authority may reject an application for registration if:

(1) The applicant fails to answer the questions and provide all requested information and documents in a timely manner.

(2) The applicant provides false or inaccurate information or documents to the authority.

(3) The applicant, a related person, or a related entity is not in good standing with any local, state, or federal taxing authority. This provision shall not apply to an applicant, related person, or related entity that has timely filed an extension to file a local, state or federal tax return.

(4) The applicant, a related person, or a related entity is currently in default, has an uncured breach, or is otherwise not in compliance with any entity or instrumentality of the state of Iowa.

(5) The applicant, a related person, or a related entity has any overdue amounts owed to the state of Iowa, any agency of the state of Iowa, any other entity or instrumentality of the state of Iowa, or any person or entity that is eligible to submit claims to the state offset system.

(6) The authority determines that the applicant will not be able to provide representations, warranties, conditions, or other terms of an agreement that would be acceptable to the authority.

(7) Information is disclosed to the authority that would cause the authority to decline to enter into an agreement with the applicant.

b. The authority may ask the applicant to disclose information and documents about other entities affiliated with the applicant, a related person, or a related entity if the authority determines that the information regarding the applicant, related persons, and related entities does not adequately disclose to the authority the economic, ownership, and management structure and realities related to a project.

c. In determining whether to reject an application in accordance with this subrule, the authority will consider factors including but not limited to the nature of the information disclosed and whether the applicant has a record of violations of law over a period of time that tends to show a consistent pattern.

49.10(4) *Scoring process.* All completed applications will be reviewed and scored. Scoring of the application will consider readiness criteria, including but not limited to the following:

a. Rehabilitation planning.

b. Secured financing.

c. Ownership.

d. Local government support.

e. Rehabilitation timeline.

f. Code review.

49.10(5) *Registration.*

a. Upon reviewing and scoring all applications submitted in an application period, the authority may register qualified rehabilitation projects based on the estimated qualified rehabilitation costs identified in the Part 2B applications. Preference will be given to the projects with the highest registration score based on the criteria in subrule 49.11(4).

b. The authority will make its best effort to notify applicants of registration decisions within 60 calendar days after the close of the application period. Registration notices shall include the amount of the applicant's tentative tax credit award determined by the authority along with a notice that the amount is a preliminary, nonbinding determination only. An applicant whose project is not registered may submit future applications for future fiscal year tax credit allocations.

c. The authority shall not register more projects in a given fiscal year for tentative awards than there are tax credits available for that fiscal year under Iowa Code section 404A.4. Tax credits may be reallocated or awarded in future fiscal years to the extent permitted by Iowa Code section 404A.4.

d. If a project registered after July 1, 2025, qualifies for tax credits exceeding $10 million or more, the authority may award tax credits from the allocation for the following fiscal year, in an amount not to exceed 20 percent of the maximum aggregate tax credit award limit in Iowa Code section 404A.4.

261—49.11(404A) Agreement. Upon successful registration of the project as described in subrule 49.11(5), the eligible taxpayer shall have 90 calendar days or until the end of the fiscal year, whichever is less, to purchase or lease the property, if applicable, and enter into an agreement with the authority. The authority shall not enter an agreement until it receives proof that the eligible taxpayer is the actual fee simple owner or has a binding qualified long-term lease that meets the requirements of the federal rehabilitation credit. An eligible taxpayer shall not be eligible for tax credits unless the eligible taxpayer enters into an agreement with the authority and satisfies the terms and conditions that must be met to receive the tax credit award.

49.11(1) *Terms and conditions.* The agreement will contain all items required by Iowa Code section 404A.3(3) and other terms, conditions, representations, and warranties as the authority may determine are necessary. The budget of the qualified rehabilitation project required by Iowa Code section 404A.3(3)*"b"*(3) shall include all funding sources, including government funding, that will be used to fund the project in its entirety. The agreement may contain allowable cost overruns as described in Iowa Code section 404A.3(3)*"b"*(3).

49.11(2) *Amendments.* The authority may for good cause amend an agreement. Any amendment approved by the authority shall be signed by both parties. Agreement amendments must comply with Iowa Code chapter 404A and this chapter.

261—49.12(404A) Part 3 application. The Part 3 application must include the following information:

49.12(1) Certification that the applicant is an eligible taxpayer.

49.12(2) A schedule of total expenditures for the project that identifies the final qualified rehabilitation expenditures and those expenditures that are not qualified, in the form prescribed by the authority.

49.12(3) A schedule of all funding sources, including government funding, used to finance the project in its entirety and documentation of all project funding sources. If the funding sources include those identified in Iowa Code section 404A.1(6)*"b,"* the authority will identify the impact of the exclusion of such expenditures from qualified rehabilitation expenditures on the approved tax credit amount. Any portion of qualified rehabilitation expenditures that are financed by the redevelopment tax credit administered pursuant to Iowa Code chapter 15, subchapter II, part 9, and the workforce housing tax incentive program administered pursuant to Iowa Code chapter 15, subchapter II, part 17, will also be excluded in determining the amount of expenditures eligible for a tax credit.

49.12(4) CPA examination.

a. An eligible taxpayer shall engage a certified public accountant authorized to practice in this state to conduct an examination of the project in accordance with the American Institute of Certified Public Accountants' statements on standards for attestation engagements. The attestation applicable to this examination is SSAE No. 10 (as amended by SSAE No. 11, 12, and 14), AT section 101 and AT section 601 or other comparable attestation identified by the authority. Upon completion of the qualified rehabilitation project, the eligible taxpayer shall submit the examination to the authority along with a statement of the amount of final qualified rehabilitation expenditures and any other information deemed necessary by the authority in order to verify that all requirements of the agreement, Iowa Code chapter 404A, and all rules adopted pursuant to Iowa Code chapter 404A have been satisfied.

b. The procedures used by the CPA to conduct the examination should allow the CPA to conclude that, in the CPA's professional judgment, the qualified rehabilitation expenditures claimed are eligible pursuant to the agreement, Iowa Code chapter 404A, and all rules adopted pursuant to Iowa Code chapter 404A in all material respects. The documents reviewed by the CPA should be made available to the authority upon request. The applicant should generally be able to provide the requested documents within ten business days of a request from the authority.

c. If the examination requirement is waived pursuant to Iowa Code section 404A.3(5)*"b,"* the authority reserves the right to request any additional information necessary to verify the final qualified rehabilitation expenditures and, if deemed necessary by the authority, to require that an eligible taxpayer for whom the requirement was waived to engage a CPA to conduct an examination of the project pursuant to paragraphs 49.13(4)*"a"* and *"b."*

49.12(5) Photo keys and photos of the property after the rehabilitation is completed.

49.12(6) Any other information deemed necessary by the authority in order to verify that all requirements of the agreement, Iowa Code chapter 404A, and all rules adopted pursuant to Iowa Code chapter 404A have been satisfied or any other information the authority may require for program evaluation.

49.12(7) Election to receive either a refundable or a nonrefundable tax credit.

261—49.13(404A) Fees. Applicants must pay a nonrefundable fee for the processing of Parts 2 and 3 of an application. The review fee for Part 2 will be due with the filing of the Part 2 application and will equal $500 for projects with estimated qualified rehabilitation costs less than or equal to $750,000 and will equal $1,000 for projects with estimated qualified rehabilitation expenditures greater than

$750,000. The fee for review of Part 3 will be due with the filing of the Part 3 application and will be based on the final qualified rehabilitation expenditures. The fee will equal $500 for projects with final qualified rehabilitation costs less than or equal to $750,000 and will equal 0.5 percent of final qualified rehabilitation expenditures, not to exceed $50,000, for projects with final qualified rehabilitation expenditures greater than $750,000.

261—49.14(404A) Compliance.

49.14(1) *Reports.* In addition to the annual certification required by Iowa Code section 404A.3(4), the eligible taxpayer shall submit information reasonably required by the authority to make reports to the authority's board, the governor's office, or the general assembly.

49.14(2) *Declination.* An applicant shall notify the authority in writing of the applicant's decision to irrevocably decline the tax credit. The authority will acknowledge that the tax credit has been irrevocably declined in writing. The tax credit shall be reallocated to the extent permitted by Iowa Code section 404A.4. If the applicant wishes to apply for a tax credit on the same qualified rehabilitation project at a later date, the applicant must complete the application process as though the project is a new project.

49.14(3) *Revocation.* The authority may revoke a tax credit pursuant to Iowa Code section 404A.3(4)*"c."*

261—49.15(404A) Certificate issuance; claiming the tax credit. After determining whether the terms of the agreement, Iowa Code chapter 404A, and the applicable rules have been met, the authority shall issue a tax credit certificate to the eligible taxpayer stating the amount of tax credit under Iowa Code section 404A.2 the eligible taxpayer may claim, or the authority shall issue a notice that the eligible taxpayer is not eligible to receive a tax credit certificate. To receive the tax credit, an eligible taxpayer shall file a claim in accordance with any applicable administrative rules adopted by the department of revenue. Notwithstanding the foregoing, the eligibility of the tax credit remains subject to audit by the department of revenue in accordance with Iowa Code chapters 421 and 422.

261—49.16(404A) All references to the Internal Revenue Code and Code of Federal Regulations in this chapter are to the laws as in effect on [the effective date of this rulemaking].

These rules are intended to implement Iowa Code chapter 404A.