RA 26-167

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 411
"Federal Investment Tax Credit Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.121
State or federal law(s) implemented by the rulemaking: Iowa Code section 15.121 and 26 U.S.C. §47

Public Hearing

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

August 11, 2026 9 to 9:15 a.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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Iowa Economic Development Authority
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Email: reid.nennig@iowafinance.com

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 411 and adopt a new chapter in lieu thereof. The chapter describes the responsibilities and policies of the State Historic Preservation Office (Office) and staff of the Office relating to the federal investment tax credit for rehabilitation of certified historic structures.

The updated chapter will be clearer and more concise throughout. Language that duplicates federal statute and regulation will not be included. The following will be added for clarity:

- Definitions;
- Specifics on the role of the State Historic Preservation Officer (SHPO) in the tax credit process;
- A new rule explaining that tax credit applicants must utilize established forms and instructions from the SHPO and the National Park Service (NPS); and
- The specification that references to the United States Code in the chapter are as of the effective date of the rulemaking.

Analysis of Impact

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

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

Applicants for and recipients of tax credits will bear the costs of the proposed rulemaking.

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

Applicants for and recipients of tax credits will benefit from the proposed 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 credit. 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.

- **Qualitative description of impact:**

Only entities and individuals that will potentially benefit from the tax credit incur any costs. The costs to the State to administer the program are proportional to the activities incented.

3. **Costs to the State:**

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

Staff time is required to review and prepare applications for approval and communicate with program applicants, recipients, and the NPS. The NPS administers the credit at the federal level.

- **Anticipated effect on State revenues:**

This rulemaking does not have an impact on State revenues.

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

The costs associated with the rulemaking are necessary for the administration of the tax credit.

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 tax credit.

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 requirements are no more stringent than necessary to implement the purposes of the program and to comply with federal statute and regulations relating to the credit. The rulemaking does not establish schedules or deadlines for small businesses. The rulemaking does not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 411 and adopt the following **new** chapter in lieu thereof:

CHAPTER 411
FEDERAL INVESTMENT TAX CREDIT PROGRAM

261—411.1(303) Tax credit. Federal income tax benefits for rehabilitation of certified historic structures are available pursuant to 26 U.S.C. §47.

261—411.2(15) Definitions. For purposes of this chapter, unless the context otherwise requires:

"Certified historic structure" means the same as defined in 26 U.S.C. §47(c)(3).

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

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

"Part 3 application" means an application submitted to the SHPO to determine whether a project has complied with applicable laws, rules and regulations, including federal standards, and is therefore eligible for a tax credit.

"State historic preservation officer" or *"SHPO"* means the officer appointed and certified pursuant to Iowa Code section 15.121.

261—411.3(15) Responsibilities.

411.3(1) Applications for the credit are reviewed and commented on by the SHPO, who makes recommendations to the Secretary of the Interior for final approval. Upon completion, the work is certified by the Secretary of the Interior for the taxpayer to receive benefits pursuant to federal regulations.

411.3(2) The SHPO will also do all of the following:

a. Serve as first point of contact for property owners seeking the credit.

b. Provide application forms, regulations, information on appropriate treatments and technical assistance to property owners seeking the credit.

c. Advise applicants for the credit on rehabilitation projects and make site visits.

261—411.4(15) 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 National Park Service and the 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 complete and all required supporting documentation and information are provided. SHPO review of part 1, part 2, and part 3 applications, including amendments thereto, will generally occur within 30 days of receipt.

261—411.5(15) References. All references to the United States Code in this chapter are as in effect on [effective date of this rulemaking].

These rules are intended to implement Iowa Code section 15.121 and 26 U.S.C. §47.