Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 300
"Iowa Film Production Incentive Program and Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.106A

State or federal law(s) implemented by the rulemaking: Iowa Code section 15.517 as enacted by 2025 Iowa Acts, Senate File 657

Public Hearing

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

October 7, 2025	1963 Bell Avenue
9:15 to 9:30 a.m.	Des Moines, Iowa

Public Comment

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

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: lisa.connell@iowaeda.com

Purpose and Summary

Pursuant to Iowa Code section 15.517 as enacted by 2025 Iowa Acts, Senate File 657, the Authority proposes to adopt Chapter 300. The chapter describes the policies and procedures applicable to the Iowa Film Production Incentive Program. The program provides rebates to qualified production facilities to produce qualified productions in the State of Iowa. The chapter will set forth eligibility requirements, application procedures, and review processes for the program.

Analysis of Impact

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

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

Qualified production facilities interested in applying for or receiving a rebate through the program will bear the costs of the proposed rulemaking.

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

Qualified production facilities interested in applying for or receiving a rebate through the program 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:**

Qualified production facilities interested in applying for a rebate may require staff time to complete an application for a rebate. Recipients may similarly incur costs to comply with monitoring requirements of the program. Some applicants 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:**

The program provides rebates to qualified production facilities producing a qualified production in the State of Iowa.

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, draft and execute program contracts, disburse funds, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The proposed chapter will have no anticipated impact on State revenues. 2025 Iowa Acts, Senate File 660, appropriated $4,000,000 for the program.

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

Only the qualified production facilities that will potentially benefit from program rebates bear the costs of the proposed rulemaking. The costs to the State to administer the program are proportional to the activities supported by rebates.

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 rules do not have a substantial impact on small business. The rules are no more than necessary to administer the statutory requirements of the program.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** 261—Chapter 300:

CHAPTER 300
IOWA FILM PRODUCTION INCENTIVE PROGRAM AND FUND

261—300.1(15) Purpose. The Iowa film production incentive program and the Iowa film production incentive fund are created pursuant to and for the purposes stated under Iowa Code section 15.517 as enacted by 2025 Iowa Acts, Senate File 657.

261—300.2(15) Definitions.

"Applicant" means a qualified production facility that is applying for a rebate under the program.

"Authority" means the Iowa economic development authority.

"Capital expenditure" means money spent to purchase or maintain fixed assets or tangible personal property, including information technology systems, having a useful life of more than one year.

"Certified public accountant" means the same as defined in Iowa Code section 542.3.

"Fringes" means payroll fees (excluding taxes), union and guild fees, insurance benefits, and worker's compensation, specific to the production for which an applicant is applying for a program rebate.

"Iowa business" means a business registered and in good standing with the Iowa secretary of state.

"Post-production" means the activities preparing the film or television program for final showing, including editing and sound design.

"Pre-production" means activities enabling the start of principal photography in Iowa, including hiring local cast and crew and final location scouting.

"Principal photography" means the production phase in which the bulk of shooting takes place.

"Program" means the Iowa film production incentive program created pursuant to Iowa Code section 15.517 as enacted by 2025 Iowa Acts, Senate File 657.

"Qualified expenditure" means the same as defined in Iowa Code section 15.517 as enacted by 2025 Iowa Acts, Senate File 657, and meeting the criteria in rule 261—300.5(15).

"Qualified production" means the same as defined in Iowa Code section 15.517 as enacted by 2025 Iowa Acts, Senate File 657.

"Qualified production facility" means the same as defined in Iowa Code section 15.517 as enacted by 2025 Iowa Acts, Senate File 657.

"Rebate" means a rebate disbursed to a recipient pursuant to Iowa Code section 15.517 as enacted by 2025 Iowa Acts, Senate File 657, after the recipient complies with all of the reporting requirements under rule 261—300.6(15).

"Recipient" means a qualified production facility that has been awarded a program rebate.

"Studio" means a company that produces and has a dedicated physical space for the production of video entertainment.

261—300.3(15) Eligible applicants. An applicant must be a qualified production facility producing a qualified production and meeting the following criteria:

300.3(1) The production will have a total production budget of at least $1,000,000, including a minimum of $500,000 in qualified expenditures.

300.3(2) The production will be made available to the public for viewing at a venue where admission is charged or made available for purchase, for rental, or through a streaming service that requires a subscription.

300.3(3) Principal photography has not started as of the date of the application submission.

300.3(4) An applicant may apply for multiple qualified productions but may only submit one application per production.

300.3(5) The production must be a feature film, television series, documentary or unscripted series.

261—300.4(15) Application process.

300.4(1) Applicants applying for the first time under the program, or as otherwise required by the authority, must submit a qualified production facility certification in the form and content prescribed by the authority as part of the application process.

300.4(2) Applicants must electronically file their program application in the form and content prescribed by the authority.

300.4(3) Applications will be reviewed by the authority for award of a program rebate. Payment of the rebate will be made only after completion of the applicant's qualified production and submission of the materials specified in rule 261—300.6(15).

300.4(4) Factors the authority may consider when reviewing an application include:

a. Extent to which the applicant will participate in training, education, and recruitment programs that are organized in cooperation with interested Iowa colleges and universities and that are designed to promote and encourage the training and hiring of Iowa residents.

b. Whether the rebate will incentivize the applicant to choose an Iowa location for its production over an out-of-state location.

c. Likelihood that approval of the rebate will result in an overall long-term positive impact to Iowa.

300.4(5) Based on the review process and subject to available funding, the authority may revise an applicant's overall funding request.

300.4(6) The authority will notify successful applicants in writing of their approved application for a rebate and prepare an agreement that reflects the terms of the award. The recipient must execute and return the agreement to the authority within 30 days of the transmittal of the final agreement from the authority. Failure to do so may result in the authority terminating the award.

261—300.5(15) Qualified expenditures.

300.5(1) Qualified expenditures are expenditures incurred for industry standard pre-production, production and post-production expenses paid to Iowa businesses or to production personnel, crew and cast physically working on the production in Iowa. Qualified expenditures include:

a. Wages and fringes for personnel, crew and cast members.

b. Equipment rentals.

c. Equipment purchases, not to exceed $5,000 per unit.

d. Rental of facilities, including other studio production facilities, located within the boundaries of Iowa that are not owned, managed or operated by applicant or by a subsidiary, parent, affiliated or associated entity of applicant.

e. Hospitality services.

f. Certified public accountant services.

g. Per diem payments.

h. Accommodations within the boundaries of Iowa and certified in compliance with Iowa Code section 80.45A.

i. Transportation, limited to mileage at standard Internal Revenue Service (IRS) rates and rental fees paid to Iowa businesses and full-time Iowa residents for vehicle rentals.

j. Fees for submission to film festivals in Iowa.

k. Temporary set-based construction.

l. Services that directly support standard pre-production, production and post-production expenses (e.g., security, police, fire services).

300.5(2) Qualified expenditures do not include:

a. Entertainment.

b. Airfare.

c. Royalties.
d. Publicity for the production.
e. Compensation paid to employees with a financial interest in the recipient entity.
f. Permanent facility-based construction.
g. Capital expenditures.
h. Sales, use and hotel and motel taxes.

261—300.6(15) Reporting requirements and rebate.

300.6(1) A recipient shall complete and submit all reports required by the program agreement. A recipient shall submit any information requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the general assembly or the governor's office.

300.6(2) The maximum rebate paid to a recipient will equal 30 percent of the recipient's documented qualified expenditures. The rebate amount shall not exceed the award amount specified in the notice of award and the program agreement, unless otherwise agreed to by the authority in writing. Any decision by the authority on the rebate amount shall be made in the sole discretion of the authority and shall be final.

These rules are intended to implement Iowa Code section 15.517 as enacted by 2025 Iowa Acts, Senate File 657.