

15.335A Tax incentives.

1. Tax incentives are available to eligible businesses as provided in this section. The incentives are based upon the number of new high quality jobs created and the amount of the qualifying investment made according to the following schedule:

a. The number of new high quality jobs created with an annual wage, including benefits, equal to or greater than one hundred thirty percent of the average county wage is one of the following:

(1) The number of jobs is zero and economic activity is furthered by the qualifying investment and the amount of the qualifying investment is one of the following:

(a) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to one percent.

(b) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to one percent and the sales tax refund.

(c) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to one percent, the sales tax refund, and the additional research and development tax credit.

(2) The number of jobs is one but not more than five and the amount of the qualifying investment is one of the following:

(a) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to two percent.

(b) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to two percent and the sales tax refund.

(c) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to two percent, the sales tax refund, and the additional research and development tax credit.

(3) The number of jobs is six but not more than ten and the amount of the qualifying investment is one of the following:

(a) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to three percent.

(b) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to three percent and the sales tax refund.

(c) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to three percent, the sales tax refund, and the additional research and development tax credit.

(4) The number of jobs is eleven but not more than fifteen and the amount of the qualifying investment is one of the following:

(a) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to four percent.

(b) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to four percent and the sales tax refund.

(c) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to four percent, the sales tax refund, and the additional research and development tax credit.

(5) The number of jobs is sixteen or more and the amount of the qualifying investment is one of the following:

(a) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to five percent.

(b) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to five percent and the sales tax refund.

(c) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to five percent, the sales tax refund, and the additional research and development tax credit.

b. In lieu of paragraph "a", the number of new high quality jobs created with an annual wage, including benefits, equal to or greater than one hundred sixty percent of the average county wage is one of the following:

(1) The number of jobs is twenty-one but not more than thirty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to six percent, the sales tax refund, and the additional research and development tax credit.

(2) The number of jobs is thirty-one but not more than forty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to seven percent, the sales tax refund, and the additional research and development tax credit.

(3) The number of jobs is forty-one but not more than fifty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to eight percent, the sales tax refund, and the additional research and development tax credit.

(4) The number of jobs is fifty-one but not more than sixty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to nine percent, the sales tax refund, and the additional research and development tax credit.

(5) The number of jobs is at least sixty-one and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to ten percent, the sales tax refund, and the additional research and development tax credit.

2. For purposes of this section:

a. *"Additional research and development tax credit"* means the research activities credit as provided under section 15.335.

b. *"Average county wage"* means the same as defined in section 15I.1.

c. *"Benefits"* means the same as defined in section 15I.1.

d. *"Investment tax credit"* means the investment tax credit or the insurance premium tax credit as provided under section 15.333 or 15.333A, respectively.

e. *"Local property tax exemption"* means the property tax exemption as provided under section 15.332.

f. "Sales tax refund" means the sales and use tax refund as provided under section 15.331A or the corporate tax credit for certain sales taxes paid by third-party developers as provided under section 15.331C.

3. A community may apply to the Iowa economic development board for a project-specific waiver from the average county wage calculations provided in subsection 1 in order for an eligible business to receive tax incentives. The board may grant a project-specific waiver from the average county wage calculations in subsection 1 for the remainder of the calendar year, based on average county or regional wage calculations brought forth by the applicant county including, but not limited to, any of the following:

- a.* The average county wage calculated without wage data from the business in the county employing the greatest number of full-time employees.
- b.* The average regional wage calculated without wage data from up to two adjacent counties.
- c.* The average county wage calculated without wage data from the largest city in the county.
- d.* A qualifying wage guideline for a specific project based upon unusual economic circumstances present in the city or county.
- e.* The annualized, average hourly wage paid by all businesses in the county located outside the largest city of the county.
- f.* The annualized, average hourly wage paid by all businesses other than the largest employer in the entire county.

4. Average wage calculations made under this section shall be calculated quarterly using wage data submitted to the department of workforce development during the previous four quarters.

5. Each calendar year, the department shall not approve more than three million six hundred thousand dollars worth of investment tax credits for projects with qualifying investments of less than one million dollars.

6. The department shall negotiate the amount of tax incentives provided to an applicant under the program in accordance with this section.

2005 Acts, ch 150, §50, 69

Section applies to tax years ending on or after July 1, 2005; 2005 Acts, ch 150, §69