

15.293A Redevelopment tax credits.

1. *a.* A redevelopment tax credit shall be allowed against the taxes imposed in [chapter 422, divisions II, III, and V](#), and in [chapter 432](#), and against the moneys and credits tax imposed in [section 533.329](#), for a portion of a taxpayer's equity investment, as provided in [subsection 3](#), in a qualifying redevelopment project.

b. An individual may claim a tax credit under [this subsection](#) of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

c. Any tax credit in excess of the taxpayer's liability for the tax year is not refundable but may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer first receives the tax credit.

2. *a.* To claim a redevelopment tax credit under [this section](#), a taxpayer must attach one or more tax credit certificates to the taxpayer's tax return. A tax credit certificate shall not be used or attached to a return filed for a taxable year beginning prior to July 1, 2009. The tax credit certificate or certificates attached to the taxpayer's tax return shall be issued in the taxpayer's name, expire on or after the last day of the taxable year for which the taxpayer is claiming the tax credit, and show a tax credit amount equal to or greater than the tax credit claimed on the taxpayer's tax return.

b. After verifying the eligibility of a qualifying investor for a tax credit pursuant to [this section](#), the department of economic development shall issue a redevelopment tax credit certificate to be attached to the investor's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of the credit, the name of the qualifying investor, any other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred.

c. The tax credit certificate, unless rescinded by the board, shall be accepted by the department of revenue as payment for taxes imposed pursuant to [chapter 422, divisions II, III, and V](#), and in [chapter 432](#), and for the moneys and credits tax imposed in [section 533.329](#), subject to any conditions or restrictions placed by the board upon the face of the tax credit certificate and subject to the limitations of [this section](#).

d. Tax credit certificates issued under [this section](#) may be transferred to any person or entity. Within ninety days of transfer, the transferee shall submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address, the denomination that each replacement tax credit certificate is to carry, and any other information required by the department of revenue.

e. Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate must contain the information required for the original tax credit certificate and must have the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule of the department of economic development shall not be transferable.

f. A tax credit shall not be claimed by a transferee under [this section](#) until a replacement tax credit certificate identifying the transferee as the proper holder has been issued. The transferee may use the amount of the tax credit transferred against the taxes imposed in [chapter 422, divisions II, III, and V](#), and in [chapter 432](#), and against the moneys and credits tax imposed in [section 533.329](#), for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under [chapter 422, divisions II, III, and V](#), under [chapter 432](#), or against the moneys and credits tax imposed in [section 533.329](#). Any consideration paid for the transfer of the tax credit shall not be deducted from income under [chapter 422, divisions II, III, and V](#), under [chapter 432](#), or against the moneys and credits tax imposed in [section 533.329](#).

3. The amount of the tax credit shall equal one of the following:

- a. Twelve percent of the taxpayer's qualifying investment in a grayfield site.
 - b. Fifteen percent of the taxpayer's qualifying investment in a grayfield site if the qualifying redevelopment project meets the requirements of a green development.
 - c. Twenty-four percent of the taxpayer's qualifying investment in a brownfield site.
 - d. Thirty percent of the taxpayer's qualifying investment in a brownfield site if the qualifying redevelopment project meets the requirements of a green development.
4. For purposes of individual and corporate income taxes and the franchise tax, the increase in the basis of the redeveloped property that would otherwise result from the qualified redevelopment costs shall be reduced by the amount of the credit computed under this part.
 5. The maximum amount of a tax credit for a qualifying investment in any one qualifying redevelopment project shall not exceed ten percent of the maximum amount of tax credits available in any one fiscal year pursuant to [subsection 6](#).
 6. For the fiscal year beginning July 1, 2009, the maximum amount of tax credits issued by the department shall not exceed one million dollars. The department shall not issue tax credits pursuant to [this section](#) in subsequent fiscal years unless authorized pursuant to [this subsection](#).
 7. An investment shall be deemed to have been made on the date the qualifying redevelopment project is completed. An investment made prior to January 1, 2009, or after June 30, 2010, shall not qualify for a tax credit under this part.
 8. A qualifying redevelopment project that is not completed within thirty months after issuance of an approval for the project by the board shall cease to be eligible for a tax credit pursuant to [this section](#), however, the board in its discretion may provide for an additional twelve-month period in which to complete a project.
 9. The department shall develop a system for registration and authorization of tax credits authorized pursuant to this part and shall control distribution of all tax credits distributed to investors pursuant to this part. In developing the system, the department shall provide for a list of applicants for the tax credit and maintain it from year to year so that if the maximum aggregate amount of tax credits is reached in one year, an applicant can be given priority consideration for the credit in an ensuing year.
 10. The department shall develop rules for the qualification of qualifying redevelopment projects and qualifying investments. The department of revenue shall adopt these criteria as administrative rules and shall adopt any other rules pursuant to [chapter 17A](#) necessary for the administration of this part.
 11. The department may cooperate with the department of natural resources and local governments in an effort to disseminate information regarding the availability of tax credits for investments in qualifying redevelopment projects under this part.
 12. If the maximum amount of tax credits available has not been issued at the end of a fiscal year, the remaining tax credit amount may be carried over to a subsequent fiscal year or may be issued in advance to qualifying redevelopment projects for a subsequent fiscal year. Whenever the council approves a tax credit which has not been allocated at the end of a fiscal year, the department may prorate the remaining credit amount to more than one eligible applicant.
 13. If the recipient of a tax credit issued pursuant to [this section](#) has also applied to the department, the board, or any other agency of state government for additional financial assistance, the department, the board, or agency of state government shall not consider the receipt of a tax credit issued pursuant to [this section](#) when considering the application for additional financial assistance.

2008 Acts, ch 1173, §2
Referred to in [§15.293B](#), [15.294](#)