

15.318 Eligible business application and agreement — maximum tax credits.**1. Application.**

a. An eligible business that produces a renewable chemical in this state from biomass feedstock during a calendar year may apply to the authority for the renewable chemical production tax credit provided in [section 15.319](#).

b. The application shall be made to the authority in the manner prescribed by the authority.

c. The application shall be made during the calendar year following the calendar year in which the renewable chemicals are produced.

d. The authority may accept applications on a continuous basis or may establish, by rule, an annual application deadline.

e. The application shall include all of the following information:

(1) The amount of renewable chemicals produced in the state from biomass feedstock by the eligible business during the calendar year, measured in pounds.

(2) Any other information reasonably required by the authority in order to establish and verify eligibility under the program.

2. Agreement and fees.

a. Before being issued a tax credit under [section 15.319](#), an eligible business shall enter into an agreement with the authority for the successful completion of all requirements of the program. As part of the agreement, the eligible business shall agree to collect and provide any information reasonably required by the authority in order to allow the board to fulfill its reporting obligation under [section 15.320](#).

b. The compliance cost fees authorized in [section 15.330, subsection 12](#), shall apply to all agreements entered into under this program and shall be collected by the authority in the same manner and to the same extent as described in that subsection.

c. An eligible business shall fulfill all the requirements of the program and the agreement before receiving a tax credit or entering into a subsequent agreement under [this section](#). The authority may decline to enter into a subsequent agreement under [this section](#) or issue a tax credit if an agreement is not successfully fulfilled.

d. Upon establishing that all requirements of the program and the agreement have been fulfilled, the authority shall issue a tax credit and related tax credit certificate to the eligible business stating the amount of renewable chemical production tax credit the eligible business may claim.

3. Maximum tax credit amount.

a. The maximum amount of tax credit that may be issued under [section 15.319](#) to an eligible business for the production of renewable chemicals in a calendar year shall not exceed the following:

(1) In the case of an eligible business that has been in operation in the state for five years or less at the time of application, one million dollars.

(2) In the case of an eligible business that has been in operation in the state for more than five years at the time of application, five hundred thousand dollars.

b. An eligible business shall not receive a tax credit for renewable chemicals produced before the date the business first qualified as an eligible business pursuant to [section 15.317](#).

c. An eligible business shall only receive a tax credit for renewable chemicals produced in a calendar year to the extent such production exceeds the eligible business's pre-eligibility production threshold.

d. An eligible business shall not receive more than five tax credits under the program.

e. The authority shall issue tax credits under the program on a first-come, first-served basis until the maximum amount of tax credits allocated pursuant to [section 15.119, subsection 2](#), paragraph "h", is reached. The authority shall maintain a list of successful applicants under the program, so that if the maximum aggregate amount of tax credits is reached in a given fiscal year, eligible businesses that successfully applied but for which tax credits were not issued shall be placed on a wait list in the order the eligible businesses applied and shall be given priority for receiving tax credits in succeeding fiscal years. Placement on a wait list pursuant to this paragraph shall not constitute a promise binding the state. The availability of a tax credit and issuance of a tax credit certificate pursuant to

[this subsection](#) in a future fiscal year is contingent upon the availability of tax credits in that particular fiscal year.

4. *Termination and repayment.* The failure by an eligible business in fulfilling any requirement of the program or any of the terms and obligations of an agreement entered into pursuant to [this section](#) may result in the reduction, termination, or rescission of the tax credits under [section 15.319](#) and may subject the eligible business to the repayment or recapture of tax credits claimed. The repayment or recapture of tax credits pursuant to [this subsection](#) shall be accomplished in the same manner as provided in [section 15.330, subsection 2](#).

5. *Confidentiality.*

a. Except as provided in paragraph “b”, any information or record in the possession of the authority with respect to the program shall be presumed by the authority to be a trade secret protected under [chapter 550](#) or common law and shall be kept confidential by the authority unless otherwise ordered by a court.

b. The identity of a tax credit recipient and the amount of the tax credit shall be considered public information under [chapter 22](#).

[2016 Acts, ch 1065, §7, 15, 16; 2017 Acts, ch 54, §76](#)

Referred to in [§2.48, §15.119, §15.319, §15.320, §15.322](#)

For future repeal of this section effective July 1, 2030, see [§15.322](#)

Section takes effect April 6, 2016, and applies to renewable chemicals produced in the state from biomass feedstock on or after January 1, 2017; 2016 Acts, ch 1065, §15, 16

Code editor directive applied