

15.333A Insurance premium tax credits.

1. For purposes of [this section](#), “*new investment*” means the cost of machinery and equipment, as defined in [section 427A.1, subsection 1](#), paragraphs “e” and “j”, purchased for use in the operation of the eligible business, the purchase price of which has been depreciated in accordance with generally accepted accounting principles, the purchase price of real property and any buildings and structures located on the real property, and the cost of improvements made to real property which is used in the operation of the eligible business. “*New investment*” also means the annual base rent paid to a third-party developer by an eligible business for a period not to exceed ten years, provided the cumulative cost of the base rent payments for that period does not exceed the cost of the land and the third-party developer’s costs to build or renovate the building for the eligible business.

2. An eligible business may claim an insurance premium tax credit equal to a percentage of the new investment directly related to new jobs created by the project. The tax credit shall be amortized equally over a five-year period. The tax credit shall be allowed against taxes imposed in [chapter 432](#). A tax credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first. The percentage shall be determined as provided in [section 15.335A](#).

3. The eligible business shall enter into a lease agreement with the third-party developer for a minimum of five years. If, however, within five years of purchase, the eligible business sells, disposes of, razes, or otherwise renders unusable all or a part of the land, buildings, or other existing structures for which tax credit was claimed under [this section](#), the tax liability of the eligible business for the year in which all or part of the property is sold, disposed of, razed, or otherwise rendered unusable shall be increased by one of the following amounts:

a. One hundred percent of the tax credit claimed under [this section](#) if the property ceases to be eligible for the tax credit within one full year after being placed in service.

b. Eighty percent of the tax credit claimed under [this section](#) if the property ceases to be eligible for the tax credit within two full years after being placed in service.

c. Sixty percent of the tax credit claimed under [this section](#) if the property ceases to be eligible for the tax credit within three full years after being placed in service.

d. Forty percent of the tax credit claimed under [this section](#) if the property ceases to be eligible for the tax credit within four full years after being placed in service.

e. Twenty percent of the tax credit claimed under [this section](#) if the property ceases to be eligible for the tax credit within five full years after being placed in service.

[98 Acts, ch 1084, §1; 2000 Acts, ch 1213, §2, 10; 2004 Acts, ch 1003, §5, 12; 2005 Acts, ch 150, §49, 68, 69; 2014 Acts, ch 1130, §8, 9, 11; 2016 Acts, ch 1109, §11; 2018 Acts, ch 1041, §4](#)

Referred to in [§15.119, 15.335A, 432.12C](#)

For aggregate limitations on amount of tax credits, see [§15.119](#)