

15.293A Redevelopment tax credits.

1. *a.* A redevelopment tax credit shall be allowed against the taxes imposed in [chapter 422, subchapters 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. (1) Except as provided in subparagraph (2), 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.

(2) (a) A tax credit in excess of the taxpayer's liability for the tax year is refundable if all of the following conditions are met:

(i) The taxpayer is an investor making application for tax credits provided in [this section](#) and is an entity organized under [chapter 504](#) and qualifying under section 501(c)(3) of the Internal Revenue Code as an organization exempt from federal income tax under section 501(a) of the Internal Revenue Code.

(ii) The taxpayer establishes during the application process described in [section 15.293B](#) that the requirement in subparagraph division (a) is satisfied. The authority, when issuing a certificate to a taxpayer that meets the requirements in this subparagraph (2), shall indicate on the certificate that such requirements have been satisfied.

(b) For a tax credit deemed refundable pursuant to subparagraph division (a), the following percentage of the tax credit in excess of the taxpayer's liability for the tax year is refundable:

(i) For the tax year beginning on or after January 1, 2023, but before January 1, 2024, ninety-five percent.

(ii) For the tax year beginning on or after January 1, 2024, but before January 1, 2025, ninety percent.

(iii) For the tax year beginning on or after January 1, 2025, but before January 1, 2026, eighty-five percent.

(iv) For the tax year beginning on or after January 1, 2026, but before January 1, 2027, eighty percent.

(v) For tax years beginning on or after January 1, 2027, seventy-five percent.

(3) 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 include one or more tax credit certificates with the taxpayer's tax return. A tax credit certificate shall not be included with a return filed for a taxable year beginning prior to the tax year listed on the certificate.

b. 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 authority, shall be accepted by the department of revenue as payment for taxes imposed pursuant to [chapter 422, subchapters 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 authority 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, except a tax credit certificate that is refundable under [subsection 1](#), paragraph "c", subparagraph (2), shall not be transferable. 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 economic development authority 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, subchapters 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, subchapters II, III, and V](#). Any consideration paid for the transfer of the tax credit shall not be deducted from income under [chapter 422, subchapters II, III, and V](#).

3. The amount of the tax credit shall be determined by the board in conjunction with the council. However, the tax credit shall not exceed the following amount, as applicable:

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. The amount of tax credits that may be awarded by the board shall be subject to the limitation in [section 15.119](#).

7. An investment shall be deemed to have been made on the date the qualifying redevelopment project is completed.

8. [This section](#) is repealed on June 30, 2031.

2008 Acts, ch 1173, §2; 2011 Acts, ch 116, §5 – 7, 12; 2011 Acts, ch 118, §84, 85, 89; 2012 Acts, ch 1021, §10, 11; 2012 Acts, ch 1110, §3; 2014 Acts, ch 1081, §4 – 9, 13; 2014 Acts, ch 1093, §3; 2020 Acts, ch 1062, §94; 2021 Acts, ch 177, §41, 44; 2022 Acts, ch 1002, §46, 47, 54, 55

Referred to in [§2.48](#), [15.119](#), [15.291](#), [15.293B](#)

2022 amendment to subsection 1, paragraph c, subparagraph (2) effective January 1, 2023, and applies to tax years beginning on or after January 1, 2023; 2022 Acts, ch 1002, §54, 55

2022 amendment to subsection 2, paragraph d effective January 1, 2023, and applies to tax years beginning on or after January 1, 2023; 2022 Acts, ch 1002, §54, 55

Subsection 1, paragraph c, subparagraph (2) amended

Subsection 2, paragraph d amended