

237A.31 Employer child care tax credit.

1. The taxes imposed under [chapter 422, subchapter II](#) or [III](#), the franchise tax imposed under [chapter 422, subchapter V](#), the gross premiums tax under [chapter 432](#), or the moneys and credits tax imposed under [section 533.329](#) shall be reduced by an employer child care tax credit equal to the amount of the federal employer-provided child care tax credit provided in section 45F of the Internal Revenue Code the taxpayer was eligible for in the same tax year.

2. Any credit in excess of the tax liability is not refundable but the excess for the tax year may be credited to the tax liability for the following five years or until depleted, whichever is earlier.

3. *a.* The aggregate amount of tax credits authorized pursuant to [this section](#) shall not exceed an aggregate limit of two million dollars annually.

b. To receive a tax credit, a taxpayer must submit an application to the economic development authority in the form and manner prescribed by the authority by rule. The economic development authority shall issue certificates under [this section](#) on a first-come, first-served basis, which certificates may be redeemed for tax credits. The economic development authority shall issue such certificates so that not more than the amount authorized for such tax credits under paragraph “*a*” may be claimed.

4. The department of revenue, in consultation with the economic development authority, shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

[2022 Acts, ch 1148, §22, 28](#)

Referred to in [§422.120](#), [422.33](#), [422.60](#), [432.120](#), [533.329](#)

Section applies to tax years beginning on or after January 1, 2023; 2022 Acts, ch 1148, §28

NEW section