

15.331C Third-party developer tax credit.

1. *a.* In lieu of the sales and use tax refund provided in [section 15.331A](#), an eligible business may claim a tax credit in an amount equal to the sales and use taxes paid by a third-party developer under [chapter 423](#) for gas, electricity, water, or sewer utility services, tangible personal property, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility of the eligible business. Taxes attributable to intangible property and furniture and furnishings shall not be included, but taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center shall be included. An eligible business may elect to receive as a refund the following percentage of all or a portion of any tax credit in excess of the tax liability as follows:

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

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

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

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

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

b. In lieu of claiming a refund, a taxpayer may elect to have the overpayment otherwise eligible for a refund shown on the taxpayer's final, completed return credited to the tax liability for the following seven years or until depleted, whichever occurs earlier.

2. A third-party developer shall state under oath, on forms provided by the department of revenue, the amount of taxes paid as described in [subsection 1](#) and shall submit such forms to the department of revenue. The taxes paid shall be itemized to allow identification of the taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center. The eligible business shall make application to the department of revenue in the manner and form prescribed by the department of revenue, and within the time for applying for a sales and use tax refund under [section 15.331A](#). After timely receiving the form from the third-party developer and application from the eligible business, the department of revenue shall audit the claim and, if approved, shall issue a tax credit certificate to the eligible business equal to the sales and use taxes paid by a third-party developer under [chapter 423](#) for gas, electricity, water, or sewer utility services, tangible personal property, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility. The department of revenue shall also issue a tax credit certificate to the eligible business equal to the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center. The aggregate combined total amount of tax refunds under [section 15.331A](#) for taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center and of tax credit certificates issued by the department of revenue under [this section](#) for the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center shall not exceed five hundred thousand dollars in a fiscal year. If an applicant for a tax credit certificate does not receive a refund or certificate for the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center, the application shall be considered in succeeding fiscal years. The eligible business shall not claim a tax credit under [this section](#) unless a tax credit certificate issued by the department of revenue is included with the taxpayer's tax return for the tax year for which the tax credit is claimed. A tax credit certificate shall contain the eligible business's name, address, tax identification number, the amount of the tax credit, and other information deemed necessary by the department of revenue.

3. An individual may claim a tax credit under [this section](#) 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.

2004 Acts, ch 1003, §3, 12; 2005 Acts, ch 19, §14; 2005 Acts, ch 150, §47, 68, 69; 2009 Acts, ch 82, §4; 2014 Acts, ch 1093, §4; 2021 Acts, ch 86, §1, 6, 7, 48; 2022 Acts, ch 1002, §49, 54, 55; 2022 Acts, ch 1021, §5, 187; 2022 Acts, ch 1138, §56, 58, 59

Referred to in §15.331A, 15.335A, 422.11U, 422.33, 422.60, 432.12H, 533.329

For aggregate limitations on amount of tax credits, see §15.119

2021 amendment applies retroactively to January 1, 2020, for tax years beginning on or after that date; 2021 Acts, ch 86, §7

2022 amendment to subsection 1 by 2022 Acts, ch 1002, §49, takes effect January 1, 2023, and applies to tax years beginning on or after that date; 2022 Acts, ch 1002, §54, 55

2022 amendment to subsections 1 and 2 by 2022 Acts, ch 1138, §56, applies to claims for refunds filed on or after June 17, 2022; 2022 Acts, ch 1138, §59