

15.523 Application, certification, and agreement.

1. A business shall submit a preapplication to the authority to determine whether the business is primarily engaged in an eligible sector identified in [section 15.522](#) and is actively engaged in qualified research and development. The determination made by the authority shall be based on factors including but not limited to the North American industry classification code and sources of revenue. The authority may request any additional documentation or conduct site visits to verify the requirements of the program are met upon the submission of the preapplication.

2. The authority must certify a business as a qualified business for the business to claim a research and development tax credit. A qualified business that continues to meet the requirements of the program and the agreement entered pursuant to [subsection 3](#) may remain certified for up to five years. A business may reapply for certification in additional five-year increments. A business that does not demonstrate an increase in eligible expenditures may be denied recertification by the authority. A business that is denied certification or recertification may reapply. The authority may specify the length of time after the denial when the business is eligible to reapply.

3. An eligible business must enter into an agreement with the authority for successful completion of all requirements of the program.

4. Each year after certification as a qualified business, the qualified business shall submit an application to the authority for a tax credit based on the amount of eligible expenditures that were included in Section F of Internal Revenue Form 6765 that was submitted with the qualified business's most recently filed and accepted federal tax return. The application shall include a verification of eligible expenditures by procedures prescribed by the authority by rule. The qualified business shall engage an independent certified public accountant authorized to practice in this state to conduct the verification. A qualified business shall submit the application to the authority by January 31 following the most recently filed and accepted federal tax return for a tax year in which the business is determined to be a qualified business.

5. Each fiscal year, the authority will approve tax credit awards by apportioning the amount of tax credits available pursuant to [section 15.119](#) on a pro rata basis, based on the total amount of eligible expenditures incurred by all qualified businesses that are awarded a tax credit. Up to five percent of the amount of tax credits available pursuant to [section 15.119](#) may be awarded as additional tax credits to qualified businesses that demonstrate an increase in eligible expenditures.

6. If the qualified business fails to comply with any requirements of the program or the agreement entered pursuant to [subsection 3](#) as determined by the authority, the qualified business may have its certification as a qualified business revoked or be required to repay any tax credit the authority issued to the qualified business. After a final determination, the authority will notify the department of revenue of any required repayment of a tax credit. Such repayment shall be considered a tax payment due and payable to the department of revenue by any taxpayer that claimed the tax incentive, and the failure to make the repayment may be treated by the department of revenue in the same manner as a failure to pay the tax shown due, or required to be shown due, with the filing of a return or deposit form.

7. A qualified business that claims a research activities credit pursuant to [section 422.10](#) or [422.33](#), Code 2025, shall not claim a research and development tax credit awarded pursuant to [this part](#) on the same tax return.

[2025 Acts, ch 136, §111, 118](#)

Referred to in [§15.524](#)

NEW section