

15.524 Research and development tax credit.

1. For tax years beginning on or after January 1, 2026, a research and development tax credit is available to a qualified business that is approved for the tax credit by the authority.

2. Upon submission of the documentation required pursuant to [section 15.523, subsection 4](#), and verification of eligible expenditures by the authority, the authority may issue a tax credit certificate to a qualified business indicating the amount available to be claimed. The authority may approve a tax credit in an amount up to three and one-half percent of the amount of the qualified business's eligible expenditures. The tax credit shall be claimed in the tax year immediately following the tax year during which the eligible expenditures were incurred.

3. To claim a tax credit under [this section](#), a taxpayer shall include one or more tax credit certificates with the taxpayer's tax return. The tax credit certificate must contain the taxpayer's name, address, tax identification number, the amount of the credit, the name of the qualified business, and any other information required by the department of revenue. The tax credit certificate, unless rescinded by the authority, shall be accepted by the department of revenue as payment for taxes imposed pursuant to [chapter 422, subchapters II and III](#), subject to any conditions or restrictions placed by the authority upon the face of the tax credit certificate and subject to the limitations of the program.

4. Any tax credit in excess of the business's tax liability is refundable. In lieu of claiming a refund, the taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return credited to the tax liability for the following tax year.

5. Tax credit certificates issued pursuant to [this section](#) are not transferable.

6. If the business is a partnership, S corporation, limited liability company, estate, or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S corporation, limited liability company, or estate or trust.

7. The maximum amount of tax credits the authority may issue under [this section](#) each fiscal year shall not exceed the amount specified in [section 15.119](#).

8. A qualified business that was approved to receive a research activities credit pursuant to [section 15.335](#), Code 2025, prior to January 1, 2026, shall not claim such tax credit and a research and development tax credit pursuant to [this part](#) on the same tax return.

[2025 Acts, ch 136, §112, 118](#)

Referred to in [§422.12Q, 422.33](#)

NEW section