418.11 Sales tax increment calculation.

1. The department of revenue shall calculate quarterly the amount of increased sales tax revenues for each governmental entity approved to use sales tax increment revenues and the amount of such revenues to be transferred to the sales tax increment fund pursuant to section 423.2A, subsection 2.

2. The department of revenue shall calculate the amount of the increase for purposes of subsection 1 as follows:

a. Determine the amount of sales subject to the tax under section 423.2 in each applicable area specified in subsection 3, during the corresponding quarter in the base year from retail establishments in such areas.

b. Determine the amount of sales subject to the tax under section 423.2 in each applicable area specified in subsection 3, during the corresponding quarter in each subsequent calendar year from retail establishments in such areas.

c. Subtract the base year quarterly amount determined under paragraph *"a"* from the subsequent calendar year quarterly amount in paragraph *"b"*.

d. If the amount determined under paragraph *"c"* is positive, the product of the amount determined under paragraph *"c"* times the tax rate imposed under section 423.2 shall constitute the amount of increased sales tax revenue pursuant to subsection 1.

3. *a.* For projects approved for a governmental entity as defined in section 418.1, subsection 4, paragraph *"a"*, the area used to determine the sales tax increment shall include only the unincorporated areas of the county.

b. For projects approved for a governmental entity as defined in section 418.1, subsection 4, paragraph *"b"*, the area used to determine the sales tax increment shall include only the incorporated areas of the city.

c. For projects approved for a governmental entity as defined in section 418.1, subsection 4, paragraph *"c"*, the area used to determine the sales tax increment shall include the incorporated areas of each participating city, the unincorporated areas of each participating county, the area of any participating drainage district not otherwise included in the areas of the participating cities or county, and the area served by any sanitary district or combined water and sanitary district and not otherwise included in the areas of the participating cities or counties, as applicable.

d. For all projects, the area used to determine the sales tax increment shall not include any parcels of real property that are included in a reinvestment district designated pursuant to chapter 15J.

4. Each governmental entity shall assist the department of revenue in identifying retail establishments in the governmental entity's applicable area that are collecting sales tax. This process shall be ongoing until the governmental entity ceases to utilize sales tax revenue under this chapter.