

CHAPTER 68
HIGH QUALITY JOBS PROGRAM (HQJP)

261—68.1(15) Administrative procedures and definitions.

68.1(1) *Administrative procedures.* The HQJP is subject to the requirements of the authority's rules located in 261—Part VII, additional application requirements and procedures, and 261—Part VIII, legal and compliance. Part VII and Part VIII include standard program requirements; wage, benefit and investment requirements; application review and approval procedures; contracting; contract compliance and job counting; and annual reporting requirements. The standard definitions in 261—Chapter 173 in Part VII have been incorporated as applicable in subrule 68.1(2) and are not otherwise applicable to the HQJP.

68.1(2) *Definitions.*

“Annual base rent” means the business's annual lease payment minus taxes, insurance and operating or maintenance expenses.

“Authority” means the economic development authority created in Iowa Code section 15.105.

“Award date” means the date the board approved an application for project completion assistance, other direct financial assistance, or tax incentives.

“Base employment level” means the number of full-time equivalent positions at a business, as established by the authority and a business using the business's payroll records, as of the date a business applies for tax incentives or project completion assistance. The number of jobs the business has pledged to create shall be in addition to the base employment level. The number of jobs the business has pledged to retain are included as all or a part of the base employment level. If the project is a modernization project, the job obligations will not include created or retained jobs. The business will be required to maintain the base employment level.

“Benefits” means nonwage compensation provided to an employee. Benefits include medical and dental insurance plans; pension, retirement, and profit-sharing plans; child care services; and life insurance, vision insurance, and disability insurance coverage. Benefits may include other nonwage compensation as determined by the board.

“Board” means the members of the economic development authority appointed by the governor and in whom the powers of the authority are vested pursuant to Iowa Code section 15.105.

“Brownfield site” means the same as defined in Iowa Code section 15.291.

“Business” means a sole proprietorship, partnership, corporation, or other business entity organized for profit under the laws of the state of Iowa or another state, under federal statutes, or under the laws of another country.

“Community” means a city, county, or other entity established pursuant to Iowa Code chapter 28E.

“Contractor or subcontractor” means a person who contracts with the eligible business or subcontracts with a contractor for the provision of property, materials, or services for the construction or equipping of a facility of the eligible business.

“Created job” means a new, permanent, full-time equivalent (FTE) position added to a business's payroll in excess of the base employment level.

“Department” means the Iowa department of revenue.

“Economically distressed area” means a county meeting the requirements of a distressed area pursuant to rule 261—174.6(15).

“Eligible business” means a business meeting the conditions of Iowa Code section 15.329.

“Employee” means:

1. An individual filling a full-time position that is part of the payroll of the business receiving financial assistance from any of the programs identified in rule 261—173.1(15).
2. A business's leased or contract employee, provided all of the following elements are satisfied:
 - The business receiving the tax incentives or project completion assistance has a legally binding contract with a third-party provider to provide the leased or contract employee.

- The contract between the third-party provider and the business specifically requires the third-party provider to pay the wages and benefits at the levels required and for the time period required by the authority as conditions of the award to the business.

- The contract between the third-party provider and the business specifically requires the third-party provider to submit payroll records to the authority, in form and content and as frequently as required by the authority, for purposes of verifying that the business's job creation/retention and benefit requirements are being met.

- The contract between the third-party provider and the business specifically authorizes the authority, or its authorized representatives, to access the third-party provider's records related to the funded project.

- The business receiving the tax incentives or project completion assistance agrees to be contractually liable to the authority for the performance or nonperformance of the third-party provider.

"Financial assistance" means assistance provided only from the funds, rights, and assets legally available to the authority. Financial assistance includes assistance provided in the form of grants, loans, forgivable loans, float loans, equity-like assistance, and royalty payments and other forms of assistance deemed appropriate by the board, consistent with Iowa law.

"Fiscal impact ratio" or *"FIR"* means a ratio calculated by estimating the amount of taxes to be received by the state from a business and dividing the estimate by the estimated cost to the state of providing certain project completion assistance and tax incentives to the business, reflecting a ten-year period of taxation and incentives and expressed in terms of current dollars. "Fiscal impact ratio" does not include taxes received by political subdivisions.

"Full-time equivalent job" or *"full-time"* means the employment of one person:

1. For 8 hours per day for a five-day, 40-hour workweek for 52 weeks per year, including paid holidays, vacations and other paid leave; or

2. The number of hours or days per week, including paid holidays, vacations and other paid leave, currently established by schedule, custom, or otherwise, as constituting a week of full-time work for the kind of service an individual performs for an employing unit, provided that the number of hours per week is at least 32 hours per week for 52 weeks per year, including paid holidays, vacations, and other paid leave.

For purposes of this definition, "employment of one person" means the employment of one natural person and does not include "job sharing" or any other means of aggregation or combination of hours worked by more than one natural person.

"Grayfield site" means the same as defined in Iowa Code section 15.291.

"Greenfield site" means a site that does not meet the definition of a brownfield site or grayfield site. A project proposed at a site located on previously undeveloped or agricultural land shall be presumed to be a greenfield site.

"High quality jobs" means created or retained jobs that meet the wage requirements established in subrule 68.2(4) and subrules 68.2(7) and 68.2(8) when applicable.

"Laborshed area" means the geographic area surrounding an employment center from which the employment center draws its commuting workers. The Iowa department of workforce development (IWD) determines the employment centers and defines the boundaries of each laborshed area. IWD defines laborshed areas by surveying commuters within the various zip codes surrounding an employment center, combining the zip codes into as many as three zones, and determining how many people commute from a zip code to the employment center from each zone. The zones reflect the fact that as the distance from an employment center increases, the number of people willing to commute to the employment center decreases. The laborshed wage applicable to the project shall be the laborshed wage for the closest laborshed area, as determined by road distance between the employment center and the zip code of the project location.

"Laborshed wage" means the same as defined in Iowa Code section 15.327. The authority will calculate the laborshed wage as follows:

1. The most current covered wage and employment data available from IWD will be used.

2. The wage will be computed as a mean wage figure and represented in terms of an hourly wage rate.

3. Only the wages paid by employers for jobs performed within the first two zones of a laborshed area will be included.

4. The wages paid by employers in the following categories will be excluded from the calculation: government, retail trade, health care and social assistance, and accommodations and food service. The wages paid by employers in all other categories will be included in the calculation.

5. To the extent that a laborshed area includes zip codes from states other than Iowa, the wages paid by employers in those zip codes may be included if IWD has finalized a data-sharing agreement with the state in question and has received the required data.

6. Only those wages within two standard deviations from the mean wage will be included.

“Loan” means an award of assistance with the requirement that the award be repaid with term, interest rate, and other conditions specified as part of the conditions of the award. *“Loan”* includes deferred loans, forgivable loans, and float loans. A *“deferred loan”* is one for which the payment for principal, interest, or both is not required for some specified period. A *“forgivable loan”* is one for which repayment is eliminated in part or entirely if the borrower satisfies specified conditions. A *“float loan”* means a short-term loan (not to exceed 30 months) made from obligated but unexpended moneys.

“Maintenance period” means the period of time between the project completion date and the maintenance period completion date.

“Maintenance period completion date” means the date on which the maintenance period ends. The specific date on which the maintenance period ends will be established by contract between the authority and the business. The maintenance period completion date will be a date on or after the project completion date and will be used to establish the period of time during which the project, the created jobs, and the retained jobs must be maintained. Rule 261—187.3(15) provides standard durations for project completion and maintenance periods.

“Modernization project” means a project that will result in increased skills and wages for current employees and that does not involve created or retained jobs. The business must maintain the base employment level.

“Program” means the high quality jobs program created pursuant to Iowa Code chapter 15, part 13.

“Project” means an activity or set of activities directly related to the start-up, location, modernization, or expansion of a business, and proposed in an application by a business, that are consistent with the goals of the program.

“Project completion assistance” means financial assistance or technical assistance provided to an eligible business in order to facilitate the start-up, location, modernization, or expansion of the business in this state and provided in an expedient manner to ensure the successful completion of the start-up, location, modernization, or expansion project.

“Project completion date” means the date by which a recipient of incentives or assistance has agreed to meet all the terms and obligations contained in an agreement with the authority. The specific date on which the project completion period ends will be established by contract between the authority and the business. The project completion date will be a date on which the project must be completed, all incented jobs must be created or retained, and all other applicable requirements must be met. Rule 261—187.3(15) provides standard durations for project completion and maintenance periods.

“Project completion period” means the period of time between the award date and the project completion date.

“Qualifying wage threshold” means the laborshed wage for an eligible business.

“Retail business” means any business engaged in the business of selling tangible personal property or taxable services at retail in this state. Retail business includes a business obligated to collect sales or use tax under Iowa Code chapter 423. *“Retail business”* includes any business engaged in selling tangible personal property or taxable services online.

“Retained job” means a full-time equivalent permanent position that is included in the base employment level which remains continuously filled or authorized to be filled as soon as possible and which is at risk of elimination if the project for which the business is seeking assistance does not

proceed. The authority may require a business to verify that a job is at risk. Such verification may include the signed statement of an officer of the business, documentation that the business is actively exploring other sites for the project, or any other information the authority may reasonably require during the application review process to establish that a job is at risk.

[ARC 7970B, IAB 7/15/09, effective 7/1/09; ARC 8145B, IAB 9/23/09, effective 10/28/09; ARC 0442C, IAB 11/14/12, effective 12/19/12; ARC 1801C, IAB 12/24/14, effective 1/28/15; ARC 6188C, IAB 2/9/22, effective 3/16/22]

261—68.2(15) Eligibility requirements.

68.2(1) Community approval. If the qualifying investment is \$10 million or more, the community in which the business's project is or will be located shall approve by ordinance or resolution the project for purposes of receiving tax incentives and assistance under this program.

68.2(2) Relocations and reductions in operations.

a. The business shall not be solely relocating operations from one area of the state while seeking state or local incentives. A project that does not create new jobs or involve a substantial amount of new capital investment shall be presumed to be a relocation. In determining whether a business is solely relocating operations for purposes of this subrule, the authority will consider whether a letter of support for the move has been provided from the affected local community.

b. The business shall not be in the process of reducing operations in one community while simultaneously applying for assistance under the program.

(1) For purposes of this subrule, a reduction in operations within 12 months before or after an application for assistance is submitted to the authority will be presumed to be a reduction in operations while simultaneously applying for assistance under the program.

(2) Pursuant to 2021 Iowa Acts, Senate File 619, the authority shall not presume that a reduction in operations is a reduction in operations while simultaneously applying for assistance as described in subparagraph 68.2(2) "b"(1) with regard to a business that submits an application on or before June 30, 2022, if the business demonstrates to the satisfaction of the authority that the reduction in operations occurred after March 1, 2020, and that the reduction in operations was due to the COVID-19 pandemic. The authority shall consider whether the benefit of the project proposed by a business described in this subparagraph outweighs any negative impact related to the business's reduction in operations. A business described in this subparagraph shall remain subject to all other eligibility requirements of the program.

c. This subrule will not be construed to prohibit the business from expanding its operations in a community if existing operations of a similar nature in this state are not closed or substantially reduced.

68.2(3) Retail or service businesses. The business shall not be a retail business. The business shall not be a service business unless a significant proportion of its sales, as determined by the authority, are outside this state.

68.2(4) Created and retained jobs. The business shall create or retain jobs as part of a project.

a. The business shall pay the qualifying wage threshold for HQJP as established in 261—Chapter 174.

b. If the business is creating jobs, the business shall demonstrate that the jobs will pay at least 100 percent of the qualifying wage threshold at the start of the project completion period, at least 120 percent of the qualifying wage threshold by the project completion date, and at least 120 percent of the qualifying wage threshold until the maintenance period completion date.

c. If the business is retaining jobs, the business shall demonstrate that the jobs retained will pay at least 120 percent of the qualifying wage threshold throughout both the project completion period and the maintenance period.

d. Notwithstanding paragraphs "b" and "c" of this subrule, a business located at a brownfield site or a grayfield site or in an economically distressed area may be awarded incentives for jobs that will pay less than 120 percent of the qualifying wage threshold if the conditions described in rule 261—174.6(15) apply.

68.2(5) Determination of sufficient benefits. The business shall offer a sufficient package of benefits to each full-time employee included in the business's base employment level and to each full-time employee at the project location until the maintenance period completion date. The benefits package

provided shall meet the criteria established by the board. The board shall periodically approve such criteria to reflect the most current benefits package typically offered by employers. The criteria established by the board may include, but not be limited to, premium percentages to be paid by the business, deductible requirements, and other such criteria as determined necessary to the evaluation of benefits offered by a business.

68.2(6) Sufficient fiscal impact. The business shall demonstrate that the jobs created or retained will have a sufficient impact on state and local government revenues as determined by the authority after calculating the fiscal impact ratio of the project.

68.2(7) Violations of law. If the authority finds that a business has a record of violations of law over a period of time that tends to show a consistent pattern as described in 261—Chapter 172, the business shall not qualify for tax incentives and assistance under this program.

68.2(8) Competition. The authority shall consider the impact of the proposed project on other Iowa businesses in competition with the business that is seeking tax incentives and assistance. The authority shall make a good faith effort to identify existing Iowa businesses within an industry in competition with the business that is seeking tax incentives and assistance. The authority shall make a good faith effort to determine the probability that the proposed financial assistance will negatively impact other existing Iowa businesses including but not limited to displacing employees of the existing business.

68.2(9) Other benefits. A business may seek benefits and assistance for its project from other applicable federal, state, and local programs in addition to those provided in this program.

68.2(10) Ineligibility—no high quality jobs created or retained. If a project is creating or retaining jobs, but none are high quality jobs, then the project is not eligible to receive benefits and assistance under this program.

[ARC 7557B, IAB 2/11/09, effective 3/18/09; ARC 7970B, IAB 7/15/09, effective 7/1/09; ARC 8145B, IAB 9/23/09, effective 10/28/09; ARC 0442C, IAB 11/14/12, effective 12/19/12; ARC 1801C, IAB 12/24/14, effective 1/28/15; ARC 6188C, IAB 2/9/22, effective 3/16/22]

261—68.3(15) Application process and review.

68.3(1) Application. The authority shall develop a standardized application and make it available to a business applying for tax incentives and assistance. The application procedures are as follows:

a. The project shall not be initiated prior to application. The authority will accept applications only for projects proposed to begin after application and board approval.

(1) Any one of the following may indicate that a project has been initiated:

1. The start of construction of new or expanded buildings;
2. The start of rehabilitation of existing buildings;
3. The purchase or leasing of existing buildings; or
4. The installation of new machinery and equipment or new computers to be used in the operation of the business's project.

(2) The purchase of land or signing an option to purchase land or earthmoving or other site development activities not involving actual building construction, expansion or rehabilitation shall not constitute project initiation. The costs of any land purchase and site development work incurred prior to the award are not eligible qualifying investment expenses.

b. A signature from an official authorized to represent the affected local community is required on the application as an indication that the community is aware of and supports the project. For a project with a qualifying investment of \$10 million or more, the application shall include an ordinance or resolution of the community's governing body approving the project.

c. Each application will be reviewed by the authority. The authority may request additional information from the business that is applying for tax incentives and assistance or may use other resources to obtain the needed information.

d. If the business meets the eligibility requirements, the authority will prepare a report which includes a summary of the project and a recommendation on the amount of tax incentives and assistance to be offered to the business.

68.3(2) Wage waiver. Rescinded IAB 7/4/07, effective 6/15/07.

68.3(3) Benefit values. Rescinded IAB 7/4/07, effective 6/15/07.

68.3(4) Negotiations. The authority may negotiate with the business regarding the amount of tax incentives and assistance the business is to receive under the program. All forms of tax incentives and assistance available under the program are subject to negotiations. The authority shall consider all of the following factors in negotiating with the business:

a. Level of need. The following factors will determine the authority's assessment of need:

(1) Whether the business can raise only a portion of the debt and equity necessary to complete the project. The existence of a gap between the financing required and the financing on hand indicates that tax incentives or assistance may be needed to fill the gap.

(2) Whether the likely returns of the project are inadequate to motivate a company decision maker to proceed with the project even if sufficient debt or equity can be raised to finance the project. The existence of such a condition indicates that the project's risks may outweigh its rewards and that tax incentives or assistance may be needed to reduce the project's risks.

(3) Whether the business is deciding between a site in Iowa ("Iowa site") and a site in another state ("out-of-state site") for its project and the cost of completing the project at the out-of-state site is demonstrably lower. Such a condition indicates that tax incentives or assistance may be needed to equalize the cost differential between the two sites. The authority will attempt to quantify the cost differential between the sites.

(4) Whether the project has already been initiated. Initiation of a project indicates that additional financing is not necessary to complete the project, and the authority will not provide incentives or assistance to a project that has been initiated prior to application.

b. Quality of the jobs. The authority shall place greater emphasis on projects involving created or retained jobs that:

(1) Have a higher wage scale. Businesses that have wage scales substantially higher than those of existing Iowa businesses in that industry shall be considered as providing the highest quality of jobs.

(2) Have a lower turnover rate.

(3) Are full-time or career-type positions.

c. Percentage of created jobs defined as high quality jobs. The authority will consider the number of high quality jobs to be created versus the total number of created jobs in determining what amount of tax incentives and assistance to offer the business.

d. Economic impact. In measuring the economic impact to this state, the authority shall place greater emphasis on projects which demonstrate the following:

(1) A business with a greater percentage of sales out of state or of import substitution.

(2) A business with a higher proportion of in-state suppliers.

(3) A project which would provide greater diversification of the state economy.

(4) A business with fewer in-state competitors.

(5) A potential for future job growth.

[ARC 7970B, IAB 7/15/09, effective 7/1/09; ARC 8145B, IAB 9/23/09, effective 10/28/09; ARC 0442C, IAB 11/14/12, effective 12/19/12; ARC 6188C, IAB 2/9/22, effective 3/16/22]

261—68.4(15) Tax incentives.

68.4(1) Sales and use tax refund. Pursuant to Iowa Code section 15.331A, the approved business may claim a refund of the sales and use taxes paid under Iowa Code 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 approved business. Taxes attributable to intangible property and furniture and furnishings shall not be refunded.

a. Filing a claim. To receive the refund, the approved business shall file a claim with the department pursuant to the department's applicable rules.

b. Racks, shelving, and conveyor equipment. If the project is the location, expansion, or modernization of a warehouse or distribution center, the approved business may be entitled to a refund of sales and use taxes attributable to racks, shelving, and conveyor equipment.

An approved business that receives a refund or a tax credit in one fiscal year shall not be considered in a succeeding fiscal year. No business shall receive more than \$500,000 in refunds or credits pursuant to this paragraph.

68.4(2) *Third-party developer tax credit.* Pursuant to Iowa Code section 15.331C, the approved business may claim a tax credit up to an amount equal to the sales and use taxes paid by a third-party developer under Iowa Code 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 approved business. Taxes attributable to intangible property and furniture and furnishings shall not be refunded.

a. Filing a claim. To receive the tax credit, the approved business shall file a claim with the department pursuant to the department's applicable rules.

b. Racks, shelving, and conveyor equipment. If the project is the location, expansion, or modernization of a warehouse or distribution center, the approved business may claim a tax credit up to the amount of sales and use taxes paid by a third-party developer and attributable to racks, shelving, and conveyor equipment. An approved business that receives a refund or a tax credit in one fiscal year shall not be considered in a succeeding fiscal year. No business shall receive more than \$500,000 in refunds or credits pursuant to this paragraph.

68.4(3) *Value-added property tax exemption.* Pursuant to Iowa Code section 15.332, the community may exempt from taxation all or a portion of the actual value added by improvements to real property directly related to jobs created or retained by the project and used in the operations of the approved business. The exemption may be allowed for a period not to exceed 20 years beginning the year the improvements are first assessed for taxation. For purposes of this subrule, improvements include new construction and rehabilitation of and additions to existing structures. The exemption shall apply to all taxing districts in which the real property is located. The community shall provide the authority and the local assessor with a copy of the resolution adopted by its governing body which indicates the estimated value and duration of the authorized exemption.

68.4(4) *Investment tax credit.*

a. Claiming the investment tax credit. Pursuant to Iowa Code section 15.333, the approved business may claim an investment tax credit equal to a percentage of the new investment. The tax credit can be claimed when the qualifying asset is placed in service. The tax credit shall be amortized over a five-year period. The annual amounts that may be claimed by the business during that period are subject to negotiations. The final five-year amortization period and the negotiated annual amounts will be specified in a contract entered into with the authority. The tax credit shall be allowed against taxes imposed under Iowa Code chapter 422, division II, III, or V and against the moneys and credits tax imposed in Iowa Code section 533.24. The approved business shall not claim a tax credit in excess of the amount specified in a contract entered into with the authority.

b. Investment qualifying for the tax credit. For purposes of this subrule, new investment means all of the following:

(1) The cost of machinery and equipment, as defined in Iowa Code section 427A.1(1) "e" and "j," purchased for use in the operation of the approved business.

(2) The purchase price of real property and any buildings and structures located on the real property.

(3) The cost of improvements made to real property which is used in the operation of the approved business.

(4) The annual base rent paid to a third-party developer by an approved business for a period equal to the term of the lease agreement but not to exceed the maximum term specified in a contract entered into with the authority, provided the cumulative cost of the base rent payments for that period does not exceed the cost of the land and the third-party developer's costs to build or renovate the building for the approved business. Annual base rent shall be considered only when the project includes the construction

of a new building or the major renovation of an existing building. The approved business shall enter into a lease agreement with the third-party developer for a minimum of five years.

68.4(5) Insurance premium tax credit. Pursuant to Iowa Code section 15.333A, the approved business may claim an insurance premium tax credit equal to a percentage of the new investment.

a. Claiming the tax credit. The tax credit can be claimed when the qualifying asset is placed in service. The tax credit shall be amortized equally over a five-year period which the authority will, in consultation with the eligible business, define. The five-year amortization period shall be specified in a contract entered into with the authority. The tax credit shall be allowed against taxes imposed under Iowa Code chapter 432. A tax credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first. The approved business shall not claim a tax credit in excess of the amount specified in a contract entered into with the authority.

b. Investment qualifying for the tax credit. For purposes of this subrule, new investment means all of the following:

(1) The cost of machinery and equipment, as defined in Iowa Code section 427A.1(1) “e” and “j,” purchased for use in the operation of the approved business.

(2) The purchase price of real property and any buildings and structures located on the real property.

(3) The cost of improvements made to real property which is used in the operation of the approved business.

(4) The annual base rent paid to a third-party developer by an approved business for a period equal to the term of the lease agreement but not to exceed the maximum term specified in a contract entered into with the authority, provided the cumulative cost of the base rent payments for that period does not exceed the cost of the land and the third-party developer’s costs to build or renovate the building for the approved business. Annual base rent shall be considered only when the project includes the construction of a new building or the major renovation of an existing building. The approved business shall enter into a lease agreement with the third-party developer for a minimum of five years.

68.4(6) Research activities credit. Pursuant to Iowa Code section 15.335, the approved business may claim a corporate tax credit for increasing research activities in Iowa during the period the approved business is participating in the program. For purposes of this subrule, “research activities” includes the development and deployment of innovative renewable energy generation components manufactured or assembled in Iowa. A renewable energy generation component will no longer be considered innovative when more than 200 megawatts of installed effective nameplate capacity has been achieved. Research activities credits awarded under this program for innovative renewable energy generation components shall not exceed the amount specified in Iowa Code section 15.335.

68.4(7) Maximum tax incentives available. Tax incentives awarded under this program are based upon the number of jobs created or retained that pay the qualifying wage threshold for HQJP as established in 261—Chapter 174 and the amount of qualifying investment. The maximum possible award is based on the following schedule:

a. The business is required to maintain the base employment level, but no high quality jobs are created or retained and economic activity is furthered by the qualifying investment. For purposes of this paragraph, “economic activity” means a modernization project which will result in increased skills and wages for the current employees.

(1) Less than \$100,000 in qualifying investment.

1. Investment tax credit or insurance premium tax credit of up to 1 percent.

2. Reserved.

(2) \$100,000 to \$499,999 in qualifying investment.

1. Investment tax credit or insurance premium tax credit of up to 1 percent.

2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.

(3) \$500,000 or more in qualifying investment.

1. Investment tax credit or insurance premium tax credit of up to 1 percent.

2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.

3. Research activities credit.

- b.* 1 to 5 high quality jobs are created or retained.
 - (1) Less than \$100,000 in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 2 percent.
 - 2. Reserved.
 - (2) \$100,000 to \$499,999 in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 2 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - (3) \$500,000 or more in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 2 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - 3. Research activities credit.
- c.* 6 to 10 high quality jobs are created or retained.
 - (1) Less than \$100,000 in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 3 percent.
 - 2. Reserved.
 - (2) \$100,000 to \$499,999 in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 3 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - (3) \$500,000 or more in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 3 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - 3. Research activities credit.
- d.* 11 to 15 high quality jobs are created or retained.
 - (1) Less than \$100,000 in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 4 percent.
 - 2. Reserved.
 - (2) \$100,000 to \$499,999 in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 4 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - (3) \$500,000 or more in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 4 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - 3. Research activities credit.
- e.* 16 to 30 high quality jobs are created or retained.
 - (1) Less than \$100,000 in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 5 percent.
 - 2. Reserved.
 - (2) \$100,000 to \$499,999 in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 5 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - (3) \$500,000 or more in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 4 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - 3. Research activities credit.
- f.* 31 to 40 high quality jobs are created or retained.
 - (1) \$10 million or more in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 6 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - 3. Research activities credit.
 - 4. Value-added property tax exemption.
 - (2) Reserved.
- g.* 41 to 60 high quality jobs are created or retained.

- (1) \$10 million or more in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 7 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - 3. Research activities credit.
 - 4. Value-added property tax exemption.
- (2) Reserved.
- h.* 61 to 80 high quality jobs are created or retained.
 - (1) \$10 million or more in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 8 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - 3. Research activities credit.
 - 4. Value-added property tax exemption.
 - (2) Reserved.
- i.* 81 to 100 high quality jobs are created or retained.
 - (1) \$10 million or more in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 9 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - 3. Research activities credit.
 - 4. Value-added property tax exemption.
 - (2) Reserved.
- j.* 101 or more high quality jobs are created or retained.
 - (1) \$10 million or more in qualifying investment.
 - 1. Investment tax credit or insurance premium tax credit of up to 10 percent.
 - 2. Sales and use tax refund or third-party developer tax credit, or both, if applicable.
 - 3. Research activities credit.
 - 4. Value-added property tax exemption.
 - (2) Reserved.

[**ARC 7557B**, IAB 2/11/09, effective 3/18/09; **ARC 7970B**, IAB 7/15/09, effective 7/1/09; **ARC 8145B**, IAB 9/23/09, effective 10/28/09; **ARC 0442C**, IAB 11/14/12, effective 12/19/12; **ARC 1801C**, IAB 12/24/14, effective 1/28/15; **ARC 3385C**, IAB 10/11/17, effective 11/15/17; **ARC 6188C**, IAB 2/9/22, effective 3/16/22]

261—68.5(15) Project completion assistance.

68.5(1) Awards and negotiations. The authority may award project completion assistance to a business that meets the eligibility requirements of the HQJP. All award determinations are subject to the requirements of Iowa Code section 15.335B(3). The board, with the assistance of authority staff, will attempt to determine the amount of project completion assistance that will ensure successful completion of a project, and the board will make a good-faith effort to provide only the amount of incentives and assistance necessary to facilitate the project's successful completion. The amount, type, and terms of the assistance provided typically vary according to the needs of each project, and each award is subject to negotiation. The board and the authority will attempt to treat similarly situated applicants similarly; however, the amount, type, and terms of project completion assistance most appropriate for a given project are necessarily dependent on many factors, and awards of project completion assistance shall be entirely at the discretion of the board.

68.5(2) Factors affecting the amount, type, and terms of project completion assistance. When determining an award of project completion assistance, the board, with the assistance of authority staff, typically considers many factors, including the following:

- a.* The fiscal impact ratio of the project.
- b.* Whether the amount of assistance to be awarded is appropriate to the number of jobs that will be created.
- c.* The availability of funding.
- d.* Whether other forms of assistance, including tax incentives, are available.
- e.* The project's level of need, including whether the local community and the private sector are also contributing to the success of the project.

f. The total amount of funds from other sources that can be leveraged.

g. The quality of the project.

[ARC 0442C, IAB 11/14/12, effective 12/19/12; ARC 6188C, IAB 2/9/22, effective 3/16/22]

These rules are intended to implement Iowa Code chapter 15, part 13.

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