

**261—71.5(403) Project approval.****71.5(1)** *Request for board approval of withholding agreement.*

*a. Request for approval form.* Prior to entering into a withholding agreement with an employer and the authority, a pilot project city must receive approval from the board, on behalf of the authority. The authority shall develop a standardized form to be used by pilot project cities to request board approval of a proposed withholding agreement. To request board approval of a proposed withholding agreement, a pilot project city shall submit the standardized form to the authority with the following information:

(1) A general description of the project, including how the pilot project city will utilize withholding funds generated by the project.

(2) Base employment of the number of full-time equivalent positions at a business as established by the authority and the pilot project city, using the business's payroll records, as of the date that a business files an application with a pilot project city for financial assistance under the program.

(3) Information regarding the number of targeted jobs in the project, the wages of the targeted jobs, and the types of jobs created by the project.

(4) A budget for the project, showing the total project cost, the amount of local matching funds committed to the project, and the amount of withholding funds the pilot project city will receive from the project.

(5) A letter or resolution of support from the local government showing support for the project.

*b. Timing of submittal.* Requests for board approval of a proposed withholding agreement may be submitted at any time. The authority will review requests for approval of a proposed withholding agreement in as timely a manner as possible.

*c. Board action on requests for approval.* The board, on behalf of the authority, may approve or deny a withholding agreement according to the provisions of this chapter. Each withholding agreement and the total amount of the withholding credits allowed under the withholding agreement shall be approved by the board after taking into account the incentives or assistance received by or to be received by the employer under other economic development programs. The board shall only deny a withholding agreement if the agreement fails to meet the requirements as stated in subrule 71.4(2) and paragraph 71.6(1) "b" or the local match requirement as stated in subrule 71.4(7) or if an employer is not in good standing as to prior or existing agreements with the authority. The board shall have the authority to negotiate a withholding agreement and may suggest changes to any of the terms of the withholding agreement, including the total amount of withholding credits. A pilot project city and employer will be notified in writing of the board's decision regarding the proposed withholding agreement.

**71.5(2)** *Certification to the department of revenue.*

*a.* The employer shall certify to the department of revenue that the targeted jobs withholding tax credit is in accordance with the withholding agreement and shall provide other information the department of revenue may require.

*b.* A pilot project city shall certify to the department of revenue the amount of the targeted jobs withholding tax credit an employer has remitted to the city and shall provide other information the department of revenue may require.

*c.* Notice of any withholding agreement shall be provided promptly to the department of revenue following its execution between a pilot project city and an employer.

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