

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

a. Request for approval form. Prior to entering into a withholding agreement with an employer, a pilot project city must receive approval from the department. The department shall develop and make available to the pilot project cities a standardized form to request department approval of a proposed withholding agreement. To request department approval of a proposed withholding agreement, a pilot project city shall provide the department 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 department 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 copy of the proposed withholding agreement to be entered into between the pilot project city and the employer.
- (6) A letter or resolution of support from the local government showing support for the project.

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

c. Department action on requests for approval. The department may approve, deny, or suggest changes to a withholding agreement. The department shall only deny an agreement if the agreement fails to meet the requirements as stated in subrule 71.4(2) 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 department. A pilot project city will be notified in writing of the department'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.