

**261—68.4(15) Tax incentives.** The authority may approve a business to receive any combination of applicable tax incentives allowed through the program pursuant to Iowa Code section 15.331A, 15.331C, 15.332, 15.333, 15.333A, or 15.335. An approved business shall not claim a tax incentive in excess of the amount specified in an agreement entered into pursuant to Iowa Code section 15.330.

**68.4(1) Sales and use tax refund or tax credit for racks, shelving, and conveyor equipment.** A business approved to receive a refund of sales and use taxes attributable to racks, shelving, and conveyor equipment in one fiscal year shall not be considered for an additional award of a refund of sales and use taxes attributable to racks, shelving, and conveyor equipment in a succeeding fiscal year. No business shall receive more than \$500,000 in refunds pursuant to this subrule. The limitations in this subrule also apply to an approved business that receives 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 pursuant to Iowa Code section 15.331C.

**68.4(2) Value-added property tax exemption.** If a community approves an exemption from taxation pursuant to Iowa Code section 15.332, the community shall provide the authority and the local assessor with a copy of the resolution adopted by the community's governing body that indicates the estimated value and duration of the authorized exemption.

**68.4(3) Investment tax credit—treatment of rent.** The annual base rent paid to a third-party developer by an approved business may be considered new investment for the purpose of an investment tax credit approved pursuant to Iowa Code section 15.333 or an insurance premium tax credit approved pursuant to Iowa Code section 15.333A. Annual base rent may be included as new investment 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. 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. For the purposes of this subrule, "annual base rent" means the business's annual lease payment minus taxes, insurance and operating or maintenance expenses.

**68.4(4) Maximum tax incentives available.** Tax incentives awarded under this program are based upon the number of jobs created or retained that pay the applicable wages as established in Iowa Code section 15.329(1)"c" or 15.335C and the amount of qualifying investment. The amount of tax incentives is subject to negotiations based on the factors identified in subrule 68.3(5). 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 that will result in increased skills and wages for the current employees.

(1) Less than \$100,000 in qualifying investment. Investment tax credit or insurance premium tax credit of up to 1 percent.

(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.* One to five high quality jobs are created or retained.

(1) Less than \$100,000 in qualifying investment. Investment tax credit or insurance premium tax credit of up to 2 percent.

(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. Six to ten high quality jobs are created or retained.
  - (1) Less than \$100,000 in qualifying investment. Investment tax credit or insurance premium tax credit of up to 3 percent.
    - (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. Investment tax credit or insurance premium tax credit of up to 4 percent.
      - (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. Investment tax credit or insurance premium tax credit of up to 5 percent.
        - (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.

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