

**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 start-up, location, expansion, or modernization of the business for purposes of receiving tax incentives and assistance under this program.

**68.2(2) *Closures or relocations.*** The business shall not close or substantially reduce its operation in one area of the state and relocate substantially the same operation in the community. This subrule does not prohibit the business from expanding its operation in the community if existing operations of a similar nature in the state are not closed or substantially reduced.

**68.2(3) *No retail or service businesses.*** The business shall not be a retail or service business. For purposes of this subrule, a service business is a business providing services to a local consumer market which does not have a significant proportion of its sales coming from outside the state.

**68.2(4) *Required elements.*** The business shall meet at least four of the following required elements in order to be eligible for tax incentives and assistance under this program:

*a.* The business shall offer a pension or profit-sharing plan to all full-time employees. For purposes of this requirement, a retirement program offered by the business, such as a 401(k) plan, and to which the business makes a monetary contribution shall be considered the equivalent of a pension plan.

*b.* The business shall produce or manufacture high value-added goods or services or be engaged in one of the following industries:

- (1) Value-added agricultural products.
- (2) Insurance and financial services.
- (3) Plastics.
- (4) Metals.
- (5) Printing paper or packaging products.
- (6) Drugs and pharmaceuticals.
- (7) Software development.
- (8) Instruments and measuring devices and medical instruments.
- (9) Recycling and waste management.
- (10) Telecommunications.
- (11) Trucking and warehousing.

*c.* The business shall provide and pay at least 80 percent of the cost of a standard medical and dental insurance plan for all full-time employees working at the facility in which the new qualifying investment occurs. For purposes of this requirement, the department will consider single or employee-only medical and dental coverage in determining if the business meets this required element.

*d.* The business shall make child care services available to its employees. The business shall satisfy this required element if it provides on-site child care services at the facility in which the project will occur or if it subsidizes 50 percent or more of off-site child care services costs incurred by an employee.

*e.* The business shall invest annually no less than 1 percent of pretax profits, from the facility located to Iowa or expanded or modernized under the program, in research and development in Iowa. The business must be able to demonstrate, using generally accepted accounting principles, the facility's history of pretax profits or a reasonable expectation of pretax profits from the facility in order to utilize this element.

*f.* The business shall invest annually no less than 1 percent of pretax profits, from the facility located to Iowa or expanded or modernized under the program, in worker training and skills enhancement. The business must be able to demonstrate, using generally accepted accounting principles, the facility's history of pretax profits or a reasonable expectation of pretax profits from the facility in order to utilize this element.

*g.* The business shall have an active productivity and safety improvement program(s). The program(s) will involve both management and workers and have benchmarks for gauging compliance.

*h.* The business shall purchase and occupy an existing facility that includes at least one vacant building which is at least 20,000 square feet.

**68.2(5) *Violations of law.*** If the department 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(6) *Waiver of eligibility requirements.*** The department may waive any of the requirements listed above when good cause is shown. The waiver process is described in 261—Chapter 174.

**68.2(7) *Competition.*** The department 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 department 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 department 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(8) *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. However, a business which has received assistance for its project from the wage-benefit tax credit program or the enterprise zone program shall not be eligible for tax incentives and assistance under this program. A business which has received assistance for its project from the new jobs and income program or the new capital investment program shall not be eligible for tax incentives and assistance under this program for the same project. However, the business may receive tax incentives and assistance under this program for subsequent projects.

**68.2(9) *Ineligibility—no high quality jobs created.*** If a project is creating jobs, but none are high quality jobs, then the project is not eligible to receive benefits and assistance under this program.