

**261—82.4(15E) Tax credit certificates.**

**82.4(1)** *Issuance by the authority.* The authority will issue tax credit certificates to qualified businesses pursuant to Iowa Code section 15.524. Tax credit certificates will be issued to the qualified businesses that applied for certification.

**82.4(2)** *Vested right.* A taxpayer does not obtain a vested right in a tax credit until a certificate has been issued by the authority.

**82.4(3)** *Claiming a tax credit.* An investor that has been issued a tax credit certificate by the authority may claim the credit in accordance with any applicable rules adopted by the department of revenue.

**82.4(4)** *Changes to federal credit.*

*a.* The qualified business shall notify the authority of any reduction of the federal credit for increasing research activities under Section 41 of the Internal Revenue Code or reduction of qualified research expenditures for the federal credit that occurs after certification as a qualified business. Such notice is required whether the reduction is the result of review of the credit initiated by the Internal Revenue Service or an amendment to the qualified business's tax return initiated by the qualified business. The qualified business must provide notice to the authority within 30 days of the final determination date as defined in Iowa Code section 422.25.

*b.* Following a report to the authority that the federal credit or qualified research expenditures for the purposes of the federal credit have been reduced, a qualified business must submit a supplemental verification of eligible expenditures by an independent CPA authorized to practice in this state conducted in accordance with the procedures identified in subrule 82.3(1). The supplemental verification shall detail the impact of the disallowed credit on the amount of eligible expenditures, if any. The authority may waive the requirement to submit supplemental verification if all qualified expenditures on which the federal credit was claimed occurred in Iowa, if the qualified business agrees to a reduced tax credit consistent with a reduction in qualified research expenditures as determined by the authority, or if sufficient information is otherwise available to determine the impact on the tax credit available through the program.

*c.* If the supplemental independent CPA verification or other information submitted pursuant to paragraph 82.4(4) "b" demonstrates a reduction in eligible expenditures, the tax credit available through the program shall be reduced to an amount calculated by multiplying the credit percentage determined pursuant to subrule 82.3(3) by the reduced amount of eligible expenditures. Any additional award pursuant to subrule 82.3(4) will be reduced in the same way. If sufficient information is not available to determine the reduced amount of eligible expenditures, the authority may wholly rescind a tax credit available under the program.

*d.* The tax credit available through the program shall not be increased based on an increase in the federal credit for increasing research activities under Section 41 of the Internal Revenue Code claimed by a qualified business.

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