

Senate File 533

S-3307

1 Amend Senate File 533 as follows:

2 1. Page 33, after line 17 by inserting:

3

<DIVISION

4

WITHHOLDING AGREEMENTS

5 Sec. \_\_\_\_\_. Section 403.19A, subsection 1, paragraphs  
6 c and f, Code 2011, are amended to read as follows:

7 c. "Employer" means a business creating or  
8 retaining targeted jobs in an urban renewal area of a  
9 pilot project city pursuant to a withholding agreement.

10 f. "Targeted job" means a job in a business which  
11 is or will be located in an urban renewal area of a  
12 pilot project city that pays a wage at least equal to  
13 the countywide average wage. "Targeted job" includes  
14 new or retained jobs from Iowa business expansions  
15 or retentions within the city limits of the pilot  
16 project city and those jobs resulting from established  
17 out-of-state businesses, as defined by the department  
18 of economic development, moving to or expanding in  
19 Iowa.

20 Sec. \_\_\_\_\_. Section 403.19A, subsection 3, paragraph  
21 c, subparagraph (1), Code 2011, is amended to read as  
22 follows:

23 (1) The pilot project city shall enter into a  
24 withholding agreement with each employer concerning  
25 the targeted jobs withholding credit. The withholding  
26 agreement shall provide for the total amount of  
27 withholding tax credits awarded. An agreement shall  
28 not provide for an amount of withholding credits that  
29 exceeds the amount of the qualifying investment made in  
30 the project. An agreement shall not be entered into by  
31 a pilot project city with a business currently located  
32 in this state unless the business either creates or  
33 retains ten new jobs or makes a qualifying investment  
34 of at least five hundred thousand dollars within  
35 the urban renewal area. The withholding agreement  
36 may have a term of up to ten years. An employer  
37 shall not be obligated to enter into a withholding  
38 agreement. An agreement shall not be entered into with  
39 an employer not already located in a pilot project  
40 city when another Iowa community is competing for the  
41 same project and both the pilot project city and the  
42 other Iowa community are seeking assistance from the  
43 department.

44 Sec. \_\_\_\_\_. Section 403.19A, subsection 3, paragraph  
45 f, Code 2011, is amended to read as follows:

46 f. If the employer ceases to meet the requirements  
47 of the withholding agreement, the agreement shall be  
48 terminated and any withholding tax credits for the  
49 benefit of the employer shall cease. However, in  
50 regard to the number of new jobs that are to be created

1 or retained, if the employer has met the number of  
2 new jobs to be created or retained pursuant to the  
3 withholding agreement and subsequently the number of  
4 new jobs falls below the required level, the employer  
5 shall not be considered as not meeting the new job  
6 requirement until eighteen months after the date of the  
7 decrease in the number of new jobs created or retained.

8 Sec. \_\_\_\_ . RETROACTIVE APPLICABILITY. This division  
9 of this Act applies retroactively to January 1, 2006,  
10 for tax years beginning on or after that date.>

11 2. By renumbering as necessary.

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THOMAS G. COURTNEY