

House File 339

H-1310

1 Amend House File 339 as follows:

2 1. Page 1, before line 1 by inserting:

3 <Section 1. Section 15.102, Code 2019, is amended by adding
4 the following new subsection:

5 NEW SUBSECTION. 08. "*Rural community*" means any city
6 located in this state with a population of thirty thousand
7 or less in a county with a population of fifty thousand or
8 less. A rural community located in more than one county shall
9 be considered to be located in the county having the greatest
10 taxable base within the city.>

11 2. Page 1, after line 24 by inserting:

12 <Sec. _____. Section 15.335A, subsection 1, unnumbered
13 paragraph 1, Code 2019, is amended to read as follows:

14 ~~Tax~~ Except as provided in subsection 1A, tax incentives are
15 available to eligible businesses as provided in this ~~section~~
16 subsection. The incentives are based upon the number of jobs
17 created or retained that pay at least one hundred twenty
18 percent of the qualifying wage threshold and the amount of the
19 qualifying investment made according to the following schedule:

20 Sec. _____. Section 15.335A, Code 2019, is amended by adding
21 the following new subsection:

22 NEW SUBSECTION. 1A. Tax incentives are available to
23 eligible businesses in rural communities as provided in this
24 subsection. The incentives are based upon the number of
25 jobs created or retained that pay at least one hundred ten
26 percent of the qualifying wage threshold and the amount of the
27 qualifying investment made according to the following schedule:

28 a. The number of jobs is zero and economic activity is
29 furthered by the qualifying investment and the amount of the
30 qualifying investment is one of the following:

31 (1) Less than fifty thousand dollars, then the tax incentive
32 is the investment tax credit of up to two percent.

33 (2) At least fifty thousand dollars but less than two
34 hundred fifty thousand dollars, then the tax incentives are the
35 investment tax credit of up to two percent and the sales tax

1 refund.

2 (3) At least two hundred fifty thousand dollars, then the
3 tax incentives are the investment tax credit of up to two
4 percent, the sales tax refund, and the additional research and
5 development tax credit.

6 *b.* The number of jobs is one but not more than five and the
7 amount of the qualifying investment is one of the following:

8 (1) Less than fifty thousand dollars, then the tax incentive
9 is the investment tax credit of up to three percent.

10 (2) At least fifty thousand dollars but less than two
11 hundred fifty thousand dollars, then the tax incentives are the
12 investment tax credit of up to three percent and the sales tax
13 refund.

14 (3) At least two hundred fifty thousand dollars, then the
15 tax incentives are the investment tax credit of up to three
16 percent, the sales tax refund, and the additional research and
17 development tax credit.

18 *c.* The number of jobs is six but not more than ten and the
19 amount of the qualifying investment is one of the following:

20 (1) Less than fifty thousand dollars, then the tax incentive
21 is the investment tax credit of up to four percent.

22 (2) At least fifty thousand dollars but less than two
23 hundred fifty thousand dollars, then the tax incentives are the
24 investment tax credit of up to four percent and the sales tax
25 refund.

26 (3) At least two hundred fifty thousand dollars, then the
27 tax incentives are the investment tax credit of up to four
28 percent, the sales tax refund, and the additional research and
29 development tax credit.

30 *d.* The number of jobs is eleven but not more than fifteen
31 and the amount of the qualifying investment is one of the
32 following:

33 (1) Less than fifty thousand dollars, then the tax incentive
34 is the investment tax credit of up to five percent.

35 (2) At least fifty thousand dollars but less than two

1 hundred fifty thousand dollars, then the tax incentives are the
2 investment tax credit of up to five percent and the sales tax
3 refund.

4 (3) At least two hundred fifty thousand dollars, then the
5 tax incentives are the investment tax credit of up to five
6 percent, the sales tax refund, and the additional research and
7 development tax credit.

8 e. The number of jobs is sixteen or more and the amount of
9 the qualifying investment is one of the following:

10 (1) Less than fifty thousand dollars, then the tax incentive
11 is the investment tax credit of up to six percent.

12 (2) At least fifty thousand dollars but less than two
13 hundred fifty thousand dollars, then the tax incentives are the
14 investment tax credit of up to six percent and the sales tax
15 refund.

16 (3) At least two hundred fifty thousand dollars, then the
17 tax incentives are the investment tax credit of up to six
18 percent, the sales tax refund, and the additional research and
19 development tax credit.

20 f. The number of jobs is thirty-one but not more than forty
21 and the amount of the qualifying investment is at least five
22 million dollars, then the tax incentives are the local property
23 tax exemption, the investment tax credit of up to seven
24 percent, the sales tax refund, and the additional research and
25 development tax credit.

26 g. The number of jobs is forty-one but not more than sixty
27 and the amount of the qualifying investment is at least five
28 million dollars, then the tax incentives are the local property
29 tax exemption, the investment tax credit of up to eight
30 percent, the sales tax refund, and the additional research and
31 development tax credit.

32 h. The number of jobs is sixty-one but not more than
33 eighty and the amount of the qualifying investment is at least
34 five million dollars, then the tax incentives are the local
35 property tax exemption, the investment tax credit of up to nine

1 percent, the sales tax refund, and the additional research and
2 development tax credit.

3 *i.* The number of jobs is eighty-one but not more than one
4 hundred and the amount of the qualifying investment is at least
5 five million dollars, then the tax incentives are the local
6 property tax exemption, the investment tax credit of up to ten
7 percent, the sales tax refund, and the additional research and
8 development tax credit.

9 *j.* The number of jobs is at least one hundred one and the
10 amount of the qualifying investment is at least ten million
11 dollars, then the tax incentives are the local property
12 tax exemption, the investment tax credit of up to eleven
13 percent, the sales tax refund, and the additional research and
14 development tax credit.

15 Sec. _____. Section 15.335B, subsection 3, paragraph c, Code
16 2019, is amended to read as follows:

17 *c.* (1) Consider the amount and type of the local community
18 match- as follows:

19 (a) In a community with a population of less than five
20 thousand, a community match shall not be required.

21 (b) In a community with a population equal to or greater
22 than five thousand but less than fifteen thousand, a community
23 match of at least five percent of the projected funds to be
24 expended shall be required.

25 (c) In a community with a population equal to or greater
26 than fifteen thousand but less than thirty thousand, a
27 community match of at least ten percent of the projected funds
28 to be expended shall be required.

29 (d) In a community with a population equal to or greater
30 than thirty thousand, a community match of at least twenty
31 percent of the projected funds to be expended shall be
32 required.

33 (2) The Notwithstanding subparagraph (1), the authority may
34 provide assistance to an early-stage business in a high-growth
35 industry regardless of the amount of local match involved.>

1 3. Title page, by striking lines 1 through 4 and inserting
2 <An Act relating to programs administered by the economic
3 development authority, including tax credits for equity
4 investments in qualifying businesses or innovation funds, tax
5 incentives for eligible businesses in rural communities, and
6 including effective date provisions.>
7 4. By renumbering as necessary.

GRASSLEY of Butler