

Senate File 624

S-3228

1 Amend Senate File 624 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. Section 2.48, subsection 3, paragraph e,
5 subparagraph (1), Code 2019, is amended to read as follows:

6 (1) The ~~agricultural assets transfer~~ beginning farmer
7 tax credit program as provided in ~~section 16.80~~ chapter 16,
8 subchapter VIII, part 5, subpart B.

9 Sec. 2. Section 16.2, subsection 1, unnumbered paragraph 1,
10 Code 2019, is amended to read as follows:

11 An Iowa finance authority board of directors is created. The
12 powers of the authority are vested in and shall be exercised
13 by the board. The authority includes nine members appointed
14 by the governor subject to confirmation by the senate. The
15 authority also includes one ex officio voting member who must
16 be designated by the agricultural development board created in
17 section 16.2C and be a member of that board.

18 Sec. 3. Section 16.2, subsections 2 and 3, Code 2019, are
19 amended to read as follows:

20 2. ~~Members~~ The members of the authority ~~shall be~~ appointed
21 by the governor shall serve for staggered terms of six years
22 beginning and ending as provided in ~~section 69.19~~. A person
23 appointed by the governor to fill a vacancy shall serve only
24 for the unexpired portion of the term. A member is eligible
25 for reappointment. The ex officio voting member designated by
26 the agricultural development board shall serve at the pleasure
27 of that board. A member of the authority may be removed from
28 office by the governor for misfeasance, malfeasance, or willful
29 neglect of duty or other just cause, after notice and hearing,
30 unless the notice and hearing is expressly waived in writing.

31 3. ~~Five~~ Six members of the authority constitute a quorum and
32 the affirmative vote of a majority of the ~~appointed~~ members is
33 necessary for any substantive action taken by the authority.
34 The majority shall not include any member who has a conflict of
35 interest and a statement by a member of a conflict of interest

1 shall be conclusive for this purpose. A vacancy in the
2 membership does not impair the right of a quorum to exercise
3 all rights and perform all duties of the authority.

4 Sec. 4. Section 16.2B, subsection 3, paragraph b, Code 2019,
5 is amended to read as follows:

6 *b. ~~Obtain agricultural assets transfer Claim beginning~~*
7 *farmer tax credits, including tax credit certificates issued*
8 *pursuant to subchapter VIII, part 5, subpart B.*

9 Sec. 5. Section 16.59, subsection 4, Code 2019, is amended
10 to read as follows:

11 4. For a family farm limited liability company, an aggregate
12 net worth of all members, including each member's ownership
13 interest in the family farm limited liability company, and
14 each member's spouse and minor children of not greater than
15 twice the low or moderate net worth. However, the aggregate
16 net worth of each member and that member's spouse and minor
17 children shall not exceed the low or moderate net worth.

18 Sec. 6. NEW SECTION. 16.77 Definitions.

19 As used in this subpart B, unless the context otherwise
20 requires:

21 1. "*Agricultural development board*" means the agricultural
22 development board created in section 16.2C.

23 2. "*Agricultural lease agreement*" or "*agreement*" means an
24 agreement for the transfer of agricultural assets, that must at
25 least include a lease of agricultural land, from an eligible
26 taxpayer to a qualified beginning farmer as provided in section
27 16.79A.

28 3. "*Department*" means the department of revenue.

29 4. "*Eligible taxpayer*" means a taxpayer who may participate
30 in the beginning farmer tax credit program, including by
31 meeting all the criteria as provided in section 16.79.

32 5. "*Program*" means the beginning farmer tax credit program
33 created pursuant to section 16.78.

34 6. "*Qualified beginning farmer*" means a beginning farmer
35 as defined in section 16.58 who meets the requirements to

1 participate in a beginning farmer tax credit program as
2 provided in section 16.79.

3 7. "*Tax credit*" means the beginning farmer tax credit
4 allowed under section 16.82.

5 Sec. 7. NEW SECTION. 16.78 **Beginning farmer tax credit**
6 **program — establishment and administration.**

7 1. A beginning farmer tax credit program is established
8 under the control of the authority.

9 2. The authority and the department shall cooperate in
10 administering the program. The department shall have all
11 rulemaking powers necessary to administer its responsibilities
12 under this subpart as it does under chapter 422.

13 3. To every extent practicable, the authority shall
14 administer the program in a manner that encourages
15 participation by eligible taxpayers and qualifying beginning
16 farmers for the primary purposes of providing beginning farmers
17 access to farmland and enhancing the stability of the beginning
18 farmer's farming business.

19 4. The authority and the department shall each adopt
20 rules in accordance with chapter 17A as necessary for the
21 administration of their respective responsibilities under this
22 subpart. The eligibility requirements for taxpayers and the
23 qualifications for beginning farmers as provided in the rules
24 shall not be more stringent than provided in this subpart.

25 5. The authority shall provide for the preparation or
26 revision and publication or distribution of forms necessary to
27 administer their responsibilities under this subpart.

28 Sec. 8. NEW SECTION. 16.79 **Beginning farmer tax credit**
29 **program — eligibility criteria.**

30 1. A taxpayer is eligible to participate in the beginning
31 farmer tax credit program if the taxpayer meets all of the
32 following requirements:

33 a. The taxpayer is a person who may acquire or otherwise
34 obtain or lease agricultural land in this state pursuant to
35 chapter 9H or 9I. However, the taxpayer must not be a person

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1 who may acquire or otherwise obtain or lease agricultural
2 land exclusively because of an exception provided in one of
3 those chapters or in a provision of another chapter of this
4 Code including but not limited to chapter 10, 10D, or 501, or
5 section 15E.207.

6 *b.* The taxpayer has entered into an agricultural lease
7 agreement with a qualified beginning farmer to lease
8 agricultural land as provided in section 16.79A.

9 *c.* The taxpayer has not been at fault for terminating a
10 prior agreement under the program or another agreement in which
11 the taxpayer was allowed to claim a tax credit under section
12 175.37 as it existed prior to January 1, 2015, or section 16.80
13 as it existed prior to January 1, 2018.

14 *d.* If the agreement includes the lease of a confinement
15 feeding operation structure as defined in section 459.102, the
16 taxpayer is not a party to a pending administrative or judicial
17 action, including a contested case proceeding under chapter
18 17A, relating to an alleged violation involving an animal
19 feeding operation as regulated by the department of natural
20 resources, regardless of whether the pending action is brought
21 by the department or the attorney general.

22 *e.* The taxpayer is not classified as a habitual violator for
23 a violation of state law involving an animal feeding operation
24 as regulated by the department of natural resources under
25 chapter 459.

26 *f.* The taxpayer is not a partner of a partnership,
27 shareholder of a family farm corporation, or member of a
28 family farm limited liability company that is the lessee of
29 an agricultural asset that is part of an agricultural lease
30 agreement.

31 2. A beginning farmer is a qualified beginning farmer
32 eligible to participate in the program by meeting all of the
33 following criteria:

34 *a.* Is a resident of the state. If the beginning farmer is a
35 partnership, all partners must be residents of the state. If a

1 beginning farmer is a family farm corporation, all shareholders
2 must be residents of the state. If the beginning farmer is
3 a family farm limited liability company, all members must be
4 residents of the state.

5 *b.* Has sufficient education, training, or experience in
6 farming. If the beginning farmer is a partnership, at least
7 one partner who is not a minor must have sufficient education,
8 training, or experience in farming. If the beginning farmer is
9 a family farm corporation, at least one shareholder who is not
10 a minor must have sufficient education, training, or experience
11 in farming. If the beginning farmer is a family farm limited
12 liability company, at least one member who is not a minor must
13 have sufficient education, training, or experience in farming.

14 *c.* Has access to adequate working capital and production
15 items.

16 *d.* Will materially and substantially participate in
17 farming. If the beginning farmer is a partnership, family farm
18 corporation, or family farm limited liability company, at least
19 one of the partners, shareholders, or members who is not a
20 minor must materially and substantially participate in farming.

21 *e.* Does not own more than a ten percent ownership interest
22 in an agricultural asset included in the agreement.

23 **Sec. 9. NEW SECTION. 16.79A Agricultural lease agreement.**

24 1. A beginning farmer tax credit is allowed only for
25 agricultural assets that are subject to an agricultural lease
26 agreement entered into by an eligible taxpayer and a qualifying
27 beginning farmer participating in the beginning farmer tax
28 credit program established pursuant to section 16.78.

29 2. The agreement must include the lease of agricultural
30 land located in this state, including any improvements, and may
31 provide for the rental of agricultural equipment as defined in
32 section 322F.1.

33 3. *a.* The agreement must include provisions which describe
34 the consideration paid for the agreement in a manner that
35 allows the authority to calculate the value of the lease in

1 order to determine the tax credit amount as provided in section
2 16.82.

3 *b.* The agreement must be in writing.

4 *c.* The agreement must be for at least two years, but not
5 more than five years. The agreement may be renewed by the
6 eligible taxpayer and qualified beginning farmer for a term of
7 at least two years, but not more than five years.

8 *d.* The agreement shall not include a lease or rental of
9 equipment intended as a security.

10 *e.* The agreement cannot be assigned and the agricultural
11 land subject to the agreement shall not be subleased.

12 *f.* (1) The agricultural assets shall not be leased or
13 rented at a rate that is substantially higher than the market
14 rate for similar agricultural assets leased or rented within
15 the same community.

16 (2) As used in subparagraph (1), when referring to an
17 agricultural asset that is cropland, "*substantially higher*"
18 means not more than thirty percent above the average cash rent
19 paid for cropland rented in the same county according to the
20 most recent cash rent survey for cropland published by a unit
21 of Iowa state university of science and technology recognized
22 by the authority.

23 4. *a.* The agreement may be amended after the authority
24 approves an application and makes a tax credit award without
25 changing the eligibility status of the taxpayer, except as
26 provided in paragraph "*b*".

27 *b.* The underlying lease for agricultural land may only be
28 amended without submitting a new application if any of the
29 following apply:

30 (1) The terms of the amended lease are more favorable to the
31 qualified beginning farmer, including but not limited to the
32 rent payment being reduced.

33 (2) A party has changed their name.

34 (3) The owner of an agricultural asset is changed to the
35 owner's estate or trust upon the eligible taxpayer's death.

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1 c. If an amendment to an agreement changes the total amount
2 that will be paid to the eligible taxpayer under the agreement,
3 the eligible taxpayer shall notify the authority in a manner
4 and form prescribed by the authority within thirty days of the
5 date the amendment is executed by the parties.

6 (1) If the amendment will reduce the total amount paid to
7 the eligible taxpayer under the agreement, the authority shall
8 recalculate and reduce the eligible taxpayer's tax credit award
9 under section 16.82A.

10 (2) If the amendment will increase the total amount paid to
11 the eligible taxpayer under the agreement, the tax credit award
12 shall not be increased unless the eligible taxpayer submits an
13 amended application to the authority in the manner and form
14 prescribed by the authority and that meets the requirements of
15 section 16.81. If the amended application is approved under
16 section 16.81, the authority may increase the amount of the tax
17 credit award. The increased amount of the tax credit award
18 shall be subject to the aggregate award limitation in section
19 16.82A for the calendar year in which the increased award is
20 made.

21 (3) This paragraph "c" does not apply to an amendment to an
22 agreement that requires a new application under paragraph "b" in
23 order to be valid.

24 5. An eligible taxpayer or qualified beginning farmer may
25 terminate an agreement as provided in the agreement or by
26 law. The eligible taxpayer must notify the authority of the
27 termination within thirty days of the date of termination in
28 the manner and form prescribed by the authority.

29 Sec. 10. NEW SECTION. 16.81 **Beginning farmer tax credit**
30 **— application.**

31 1. The deadline for submitting an application to the
32 authority to claim a beginning farmer tax credit is August 1 of
33 each year. The application shall be for a period that is not
34 longer than the term of the lease.

35 2. a. The authority shall impose, assess, and collect

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1 application fees on an interim basis until December 31, 2021.
2 The amount of an application fee shall not be more than the
3 following:

4 (1) For an application that includes an agreement for the
5 lease of one hundred acres or less of agricultural land, a fee
6 of three hundred dollars.

7 (2) For an application that includes an agreement for the
8 lease of more than one hundred acres, but not more than two
9 hundred fifty acres of agricultural land, a fee of four hundred
10 dollars.

11 (3) For an application that includes an agreement for the
12 lease of more than two hundred fifty acres of agricultural
13 land, a fee of five hundred dollars.

14 (4) For an amendment to an agreement that is part of an
15 application that has been previously approved, a fee of one
16 hundred dollars.

17 *b.* Any amount of fees collected by the authority under this
18 subsection shall be considered repayment receipts as defined
19 in section 8.2.

20 *c.* This subsection is repealed on January 1, 2022.

21 3. *a.* The authority shall impose, assess, and collect
22 application fees and shall adopt rules as necessary to
23 administer this subsection, including by providing for the rate
24 of those fees.

25 *b.* The authority may establish different rates based on
26 separate categories of applications or agricultural lease
27 agreements as determined relevant by the authority.

28 *c.* The authority shall calculate the rates of the
29 application fees to be effective for each successive
30 twelve-month period. The total amount of application fees
31 collected by the authority for that period shall not be more
32 than the authority's estimate of the total amount of revenues
33 necessary to administer the provisions of this subpart based
34 on the expected revenue to be collected from the application
35 fees and the expected costs to be incurred by the authority

1 in administering the provisions of this subpart during that
2 period. The authority may adjust the rates throughout that
3 period as the authority determines necessary to comply with
4 this paragraph.

5 *d.* The amount of application fees collected by the authority
6 under this subsection shall be considered repayment receipts as
7 defined in section 8.2.

8 *e.* (1) The rules described in this subsection shall first
9 take effect immediately after the repeal of subsection 2.

10 (2) This paragraph "e" is repealed immediately after the
11 rules described in this subsection take effect.

12 4. An eligible taxpayer shall not participate in the
13 beginning farmer tax credit program for more than ten years,
14 and shall not receive more than ten tax credit certificates
15 under the program.

16 5. The agricultural development board shall review and
17 recommend approval of an application for a tax credit as
18 provided by rules adopted by the authority. The application
19 must include a copy of the agricultural lease agreement. The
20 authority may require that the parties to an agreement provide
21 additional information as determined relevant by the authority.

22 6. The authority shall approve all beginning farmer tax
23 credit applications that meet the requirements of this subpart
24 and make tax credit awards on a first-come, first-served basis,
25 subject to the limitations in section 16.82A.

26 7. After the authority has approved an application and made
27 a tax credit award, all of the following apply:

28 *a.* The authority shall issue beginning farmer tax credit
29 certificates to an eligible taxpayer on an annual basis as
30 provided in section 16.82A.

31 *b.* An eligible taxpayer may claim the tax credit each tax
32 year as provided in section 16.82.

33 8. Any financial, contractual, or legal authorization
34 records provided to the authority shall be kept confidential
35 and are not subject to chapter 22.

1 Sec. 11. NEW SECTION. 16.82 Beginning farmer tax credit
2 — allowance.

3 1. A beginning farmer tax credit is authorized under the
4 beginning farmer tax credit program as provided in section
5 16.78. The beginning farmer tax credit is allowed against
6 the taxes imposed in chapter 422, division II, as provided in
7 section 422.11E, and in chapter 422, division III, as provided
8 in section 422.33, subsection 21, to facilitate the transfer of
9 agricultural assets from an eligible taxpayer to a qualifying
10 beginning farmer participating in the program.

11 2. An individual may claim a beginning farmer tax credit
12 under this section of a partnership, limited liability company,
13 S corporation, estate, or trust electing to have income
14 taxed directly to the individual. The amount claimed by the
15 individual shall be based upon the pro rata share of the
16 individual's earnings from the partnership, limited liability
17 company, S corporation, estate, or trust.

18 3. Subject to the limitations described in subsections 5,
19 6, and 7, the authority shall determine the amount of the tax
20 credit under an agreement using the following methods:

21 *a.* In the case of an agreement on a fixed basis, in which
22 an eligible taxpayer receives a fixed cash rent payment, the
23 amount of the tax credit equals five percent of the amount of
24 the fixed cash rent payment for each year.

25 *b.* In the case of an agreement on a commodity share basis,
26 in which an eligible taxpayer receives as a rent payment a
27 percentage of the commodity produced, the amount of the tax
28 credit shall equal fifteen percent of the gross amount that
29 the eligible taxpayer would receive as a rent payment from
30 the sale of the eligible taxpayer's share of the crop in each
31 harvest year. The amount of the tax credit shall be based on
32 an equation established by rule adopted by the authority which
33 shall use data compiled by the United States department of
34 agriculture, which shall include all of the following factors:

35 (1) The past ten-year average per bushel yield for the

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1 same type of grain as produced under the agreement in the same
2 county where the leased agricultural land is located excluding
3 the years of highest and lowest per bushel yields.

4 (2) The per bushel state price established for the same
5 type of grain harvested as described in subparagraph (1).
6 Price information shall be averaged from the past five years
7 excluding the years of the highest and lowest per bushel state
8 price.

9 c. In the case of an agreement made on a flexible basis in
10 which an eligible taxpayer receives a rent payment consisting
11 of a fixed cash payment and an amount subject to adjustment
12 according to a risk-sharing arrangement, or receives a rent
13 payment consisting of an amount subject to adjustment according
14 to a risk-sharing arrangement, the amount of the tax credit
15 equals the sum of the following amounts:

16 (1) To the extent that a portion of the amount of the
17 rent payment is calculated on a fixed basis as described in
18 paragraph "a", that portion of the tax credit equals five
19 percent of the fixed cash payment in the same manner as
20 provided in paragraph "a".

21 (2) To the extent that a portion of the amount of the rent
22 payment is calculated on a commodity share basis as described
23 in paragraph "b", that portion of the tax credit equals fifteen
24 percent of the amount that the eligible taxpayer would receive
25 from the sale of the eligible taxpayer's share of the commodity
26 in the same manner as provided in paragraph "b".

27 (3) (a) To the extent that the amount of the rent payment
28 may be adjusted after taking into account all risk-sharing
29 factors provided in the agreement, that portion of the tax
30 credit equals fifteen percent of the highest adjusted amount
31 that the eligible taxpayer could receive in excess of the
32 amounts calculated in subparagraphs (1) and (2) based on an
33 equation adopted by rule by the authority.

34 (b) As used in subparagraph division (a), "*risk-sharing*
35 *factor*" means an occurrence or lack of occurrence that may

1 affect the commodity's production or profitability as provided
2 in the agreement, and which may include but is not limited to
3 production costs, per acre crop yield, gross revenue, or market
4 price.

5 (c) The authority shall adopt rules establishing criteria
6 for commonly used risk-sharing factors and adjustment limits.

7 4. The authority shall provide the department with data, in
8 the format prescribed by the department, of eligible taxpayers
9 and persons who have been decertified due to lease termination
10 or other cause of ineligibility by January 31 of each year.
11 The data shall include the amount of the tax credit issued
12 for the most recent year and all expected future tax credits
13 under an agreement for each eligible taxpayer and the type of
14 agreement.

15 5. The amount of tax credits that may be awarded to an
16 eligible taxpayer for any one year under all agreements shall
17 not exceed fifty thousand dollars.

18 6. The amount of the tax credit shall be reduced by the
19 percent ownership interest of the qualifying beginning farmer
20 in the agricultural asset.

21 7. A tax credit in excess of the eligible taxpayer's
22 tax liability for the tax year is not refundable but may be
23 credited to the tax liability for the following ten tax years
24 or until depleted, whichever is earlier. A tax credit shall
25 not be carried back to a tax year prior to the tax year in which
26 the eligible taxpayer redeems the tax credit.

27 8. a. To claim a tax credit under this section, an eligible
28 taxpayer shall include one or more tax credit certificates with
29 the eligible taxpayer's tax return pursuant to rules adopted
30 by the department.

31 b. A tax credit shall not be transferable to any other
32 person other than the eligible taxpayer's estate or trust upon
33 the eligible taxpayer's death pursuant to rules adopted by the
34 department.

35 9. If an agreement is terminated by the eligible taxpayer,

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1 all of the following shall apply:

2 *a.* Any tax credit properly claimed by the eligible taxpayer
3 prior to the date of termination or for the year during which
4 the termination occurred shall be allowed except as provided
5 in paragraph “*b*”, but no additional tax credits may be issued
6 or claimed under the program for that agreement. The eligible
7 taxpayer may apply for and be awarded another beginning farmer
8 tax credit under a new agreement for the same agricultural
9 assets as provided in this section.

10 *b.* If the authority determines that the eligible taxpayer is
11 at fault for the termination, any beginning farmer tax credit
12 that is claimed by the eligible taxpayer for the year during
13 which the termination occurred shall be disallowed and the
14 amount shall be considered a tax payment due. If an eligible
15 taxpayer does not notify the authority of the termination
16 within thirty days of the date of the termination in the manner
17 and form prescribed by the authority, the eligible taxpayer
18 shall be conclusively deemed at fault for the termination.

19 Sec. 12. NEW SECTION. **16.82A Beginning farmer tax credit**
20 **awards — amount and availability.**

21 1. *a.* Upon approval of an application as provided in
22 section 16.81, the authority shall make a tax credit award
23 to the eligible taxpayer. The tax credit award shall equal
24 the sum of the tax credits calculated by the authority under
25 section 16.82 for all eligible years under the approved
26 agreement.

27 *b.* The authority shall notify the eligible taxpayer of
28 the tax credit award under the program. The notification
29 shall include the total tax credit award, the amount of the
30 tax credit award that will be issued by way of a tax credit
31 certificate in each future year under the approved agreement,
32 and a statement that the eligible taxpayer has no right to
33 receive tax credit certificates and claim tax credits under the
34 program if all requirements of the agreement and the program
35 are not satisfied.

1 c. If after making a tax credit award the eligible taxpayer
2 or qualified beginning farmer no longer meets the requirements
3 of the agreement or the program, the authority may revoke a tax
4 credit award and may rescind a tax credit certificate.

5 2. The amount of beginning farmer tax credits that may be
6 awarded by the authority in any one calendar year under the
7 beginning farmer tax credit program shall not in the aggregate
8 exceed a limit of twelve million dollars. Tax credits shall
9 be awarded by the authority not later than December 15 of each
10 calendar year after the agricultural development board reviews
11 applications as provided in section 16.81 and the authority
12 determines tax credit amounts for the approved applications as
13 provided in section 16.82, aggregated for purposes of meeting
14 the annual program award limits.

15 3. a. The authority shall issue tax credit certificates
16 on an annual basis to eligible taxpayers who have received a
17 tax credit award. The tax credit certificate shall contain the
18 information required by the department.

19 b. The aggregate amount of tax credit certificates issued to
20 an eligible taxpayer shall not exceed the eligible taxpayer's
21 tax credit award.

22 c. A tax credit certificate, unless rescinded by the
23 authority, shall be accepted by the department as payment for
24 taxes pursuant to chapter 422, divisions II and III, subject
25 to any conditions or restrictions placed by the authority upon
26 the face of the tax credit certificate and subject to the
27 limitations of the program.

28 Sec. 13. NEW SECTION. 422.11E Beginning farmer tax credit
29 program.

30 The taxes imposed under this division, less the credits
31 allowed under section 422.12, shall be reduced by a beginning
32 farmer tax credit as allowed under chapter 16, subchapter VIII,
33 part 5, subpart B.

34 Sec. 14. Section 422.33, subsection 21, Code 2019, is
35 amended to read as follows:

1 21. The taxes imposed under this division shall be reduced
2 by ~~an agricultural assets transfer~~ a beginning farmer tax
3 credit as allowed under ~~section 16.80~~ chapter 16, subchapter
4 VIII, part 5, subpart B.

5 Sec. 15. REPEAL. Sections 16.80 and 422.11M, Code 2019,
6 are repealed.

7 Sec. 16. APPLICABILITY OF PRIOR TAX CREDITS — APPROVED
8 APPLICATIONS AND CERTIFICATES.

9 1. Notwithstanding any provision of this Act to the
10 contrary, any agricultural asset transfer tax credit
11 application approved prior to the effective date of this Act
12 under section 16.80 as that section existed on or before
13 December 31, 2018, for a year prior to 2019 but for which tax
14 credit certificates could have been issued for a tax year
15 beginning on or after January 1, 2019, shall be governed by
16 section 16.80, Code 2019, and shall be eligible to receive
17 tax credit certificates for tax years beginning on or after
18 January 1, 2019, for the remainder of the agricultural lease
19 term as provided by section 16.80, Code 2019. Tax credit
20 certificates approved and issued pursuant to this subsection
21 are not considered an award subject to the maximum tax credit
22 award limitation in section 16.82A, as enacted in this Act.

23 2. a. Any application which was submitted prior to the
24 effective date of this Act for the agricultural assets transfer
25 tax credit pursuant to section 16.80 as that section existed
26 on December 31, 2018, for the tax year beginning January 1,
27 2019, shall be governed by section 16.80, Code 2019, except as
28 provided in paragraph "b".

29 b. Any amount of tax credit certificate approved and issued
30 pursuant to this subsection shall not be subject to the maximum
31 tax credit issuance limitation in section 16.80, subsection
32 10, Code 2019, but shall instead be counted in the same manner
33 as an award for purposes of the twelve million dollar calendar
34 year award limitation in section 16.82A, subsection 2, as
35 enacted in this Act, and shall reduce, dollar-for-dollar, that

1 maximum calendar year award limitation for the calendar year
2 during which the tax credit certificate is issued.

3 Sec. 17. APPLICABILITY OF PRIOR TAX CREDITS — CONTINUANCE
4 OF CARRYOVER PROVISIONS. For any tax year commencing in
5 calendar years 2014 through 2018, a tax credit that could
6 have been first issued, awarded, or allowed and claimed under
7 sections 16.75 through 16.82 as those sections existed on
8 December 31, 2017, or under section 16.80 as that section
9 existed on December 31, 2018, may be credited to the tax
10 liability of that taxpayer for ten tax years following the tax
11 year for which the eligible taxpayer could have first claimed
12 the tax credit, or until depleted, whichever is earlier.

13 Sec. 18. EFFECTIVE DATE. This Act, being deemed of
14 immediate importance, takes effect upon enactment.

15 Sec. 19. RETROACTIVE APPLICABILITY. This Act applies
16 retroactively to January 1, 2019, for tax years beginning on or
17 after that date.>

18 2. Title page, by striking lines 1 through 3 and inserting
19 <An Act relating to agricultural development, by providing
20 for the Iowa finance authority, a beginning farmer tax credit
21 program, fees, and including effective date and retroactive
22 applicability provisions.>

RANDY FEENSTRA