

SENATE/HOUSE FILE _____
BY (PROPOSED ECONOMIC
DEVELOPMENT AUTHORITY BILL)

A BILL FOR

1 An Act relating to matters under the purview of the economic
2 development authority, the utilities commission, and
3 the department of education, including creation of the
4 headquarters expansion and development for growth and
5 employment program, and the business incentives for growth
6 program training fund; repeal of the new jobs tax credit
7 program; the major economic growth attraction program; load
8 forecasting and analysis of electric transmission system
9 expansion plans; creation of the electric transmission
10 system expansion planning and analysis and load forecasting
11 fund; the industrial new jobs training program; and
12 including effective date provisions.
13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 DIVISION I
2 HEADQUARTERS EXPANSION AND DEVELOPMENT FOR GROWTH EMPLOYMENT
3 PROGRAM

4 Section 1. NEW SECTION. 15.600 Short title.

5 This part shall be known and may be cited as the
6 "*Headquarters Expansion and Development for Growth and Employment*
7 *Program*", or "*EDGE Program*".

8 Sec. 2. NEW SECTION. 15.601 Definitions.

9 As used in this part, unless the context otherwise requires:

10 1. "*Agreement*" means an agreement entered into by an
11 eligible business and the authority pursuant to section 15.604.

12 2. "*Base employment level*" means the same as defined in
13 section 15.491.

14 3. "*Benefits*" means nonwage compensation provided to an
15 employee. "*Benefits*" include medical and dental insurance, a
16 pension, a retirement plan, a profit-sharing plan, child care,
17 life insurance, vision insurance, and disability insurance.

18 4. "*Community*" means a city or county in the state.

19 5. "*Corporate headquarters*" means a location in the
20 state that serves as the principal executive office or
21 houses the core administrative operations for a business,
22 and that includes executive leadership offices, strategic
23 decision-making functions, and administrative and support staff
24 employees.

25 6. "*Corporate job*" means a position based at a corporate
26 headquarters that involves strategic planning, executive
27 decision-making, or core administrative functions.

28 7. "*Created jobs*" or "*create jobs*" means new, permanent,
29 full-time equivalent positions added to an eligible business's
30 payroll, at the location of the eligible business's project, in
31 excess of the eligible business's base employment level.

32 8. "*Data center business*" means the same as defined in
33 section 423.3, subsection 95.

34 9. "*Eligible business*" means a business that meets the
35 requirements of section 15.602.

1 10. "*Full-time equivalent position*" means a non-part-time
2 position for the number of hours or days per week considered
3 to be full-time work for the kind of service or work performed
4 for an employer. Typically, a full-time equivalent position
5 requires two thousand eighty hours of work in a calendar year,
6 including all paid holidays, vacations, sick time, and other
7 paid leave.

8 11. "*Gross annual wages*" means all regular wages and
9 salaries received by an employee for performing services as
10 an employee of an employer. "*Gross annual wages*" does not
11 include nonregular forms of compensation, such as bonuses,
12 unusual overtime pay, commissions, stock options, pensions,
13 retirement or death benefits, unemployment benefits, life or
14 other insurance, or other fringe benefits.

15 12. "*New corporate job*" means a corporate job that is a
16 created job.

17 13. "*Program*" means the headquarters expansion and
18 development for growth and employment program.

19 14. "*Project*" means an activity or set of activities
20 directly related to the retention or location of a corporate
21 headquarters for an eligible business, proposed in an eligible
22 business's application to the program, that will accomplish the
23 goals of the program.

24 15. "*Qualifying wage threshold*" means the mean wage level
25 represented by the wages within two standard deviations of
26 the mean wage within the laborshed area in which the eligible
27 business is located, as calculated by the authority by rule,
28 using the most current covered wage and employment data
29 available from the department of workforce development for the
30 laborshed area in which the eligible business is located.

31 16. "*Retained corporate job*" means a corporate job that is
32 also a retained job.

33 17. "*Retained jobs*" means a full-time equivalent position
34 that is in existence at the time an eligible business applies
35 for the program that remains continuously filled, and that is

1 at risk of elimination if the proposed project for which the
2 eligible business is applying to the program does not proceed.

3 18. "*Tax incentives*" means tax credits authorized under the
4 program by the authority for an eligible business.

5 Sec. 3. NEW SECTION. 15.602 **Eligible business.**

6 1. To be eligible to receive tax incentives under
7 the program, a business must meet all of the following
8 requirements:

9 a. The community in which the proposed project is located
10 must approve the project either by ordinance or resolution.

11 b. The business must have a global presence, significant
12 market share, or national recognition in the industry in which
13 the business operates.

14 c. The business must be able to provide documentation that a
15 minimum of fifty-one percent of the business's gross revenue is
16 generated from business conducted outside the state.

17 d. The business must be able to provide documentation that
18 a state other than Iowa is meaningfully competing for the
19 location, expansion, or retention of the business's corporate
20 headquarters.

21 e. (1) The business must be primarily engaged in advanced
22 manufacturing, bioscience, insurance and finance, technology
23 and innovation, or research and development. The business
24 shall not be a data center business, a retail business, or
25 a business where a cover charge or membership requirement
26 restricts certain individuals from entering the business.

27 (2) Factors the authority shall consider to determine if
28 a business is primarily engaged in advanced manufacturing,
29 bioscience, insurance and finance, technology and innovation,
30 or research and development shall include but are not limited
31 to all of the following:

32 (a) The business's North American industry classification
33 system code.

34 (b) The business's main sources of revenue.

35 (c) The business's customer base.

1 *f.* (1) The business must not be solely relocating
2 operations from one area of the state to another area of
3 the state. A proposed project that does not create jobs or
4 involve a substantial amount of new capital investment shall
5 be presumed to be a relocation of operations. For purposes of
6 this subparagraph, the authority shall consider a letter from
7 the affected local community's government officials supporting
8 the business's move away from the affected local community
9 in making a determination whether the business is solely
10 relocating operations.

11 (2) This paragraph shall not be construed to prohibit
12 a business from expanding the business's operations in a
13 community if the business has similar operations in this state
14 that are not closing or undergoing a substantial reduction in
15 operations.

16 *g.* The business must offer comprehensive benefits to
17 each full-time equivalent employee employed at its corporate
18 headquarters. The authority may adopt rules under chapter 17A
19 to determine the requirements for comprehensive benefits.

20 *h.* (1) The business must not have a record of violations
21 of law or of rules, including but not limited to antitrust,
22 environmental, trade, or worker safety, that over a period of
23 time show a consistent pattern or that establish the business's
24 intentional, criminal, or reckless conduct in violation of such
25 laws or rules.

26 (2) In making determinations and findings under
27 subparagraph (1), and making a determination whether a business
28 is disqualified from the program, the authority shall be exempt
29 from chapter 17A.

30 2. In determining if a business is eligible to participate
31 in the program, the authority shall consider a variety of
32 factors including but not limited to all of the following:

33 *a.* The cost to the state of providing tax incentives
34 compared to the potential increase in state and local tax
35 collections from the project, the potential for population

1 growth resulting from the project, and the potential for wage
2 growth resulting from the project.

3 *b.* The impact of the business's proposed project on
4 businesses that are in competition with the business.
5 The authority shall make a good-faith effort to identify
6 existing Iowa businesses in competition with the business
7 being considered for the program. The authority shall make
8 a good-faith effort to determine the probability that any
9 proposed tax incentives will displace employees of a competing
10 business. In determining the impact on a competing business,
11 employee displacement from the competing business shall not be
12 considered created jobs for the applying business's project.

13 *c.* The business's proposed project's economic impact on
14 the state. The authority shall place greater emphasis on
15 businesses and proposed projects that meet the following
16 requirements:

- 17 (1) The business has a high proportion of in-state
18 suppliers.
- 19 (2) The proposed project will diversify the state economy.
- 20 (3) The business has few in-state competitors.
- 21 (4) The proposed project has the potential to create jobs on
22 an ongoing basis, or will result in increased skills and wages
23 for employees of the eligible business.
- 24 (5) The proposed project has the potential to increase the
25 state's overall gross domestic product.
- 26 (6) The proposed project will result in a newly constructed
27 facility, or a facility with a significantly increased taxable
28 valuation.
- 29 (7) Any other factors the authority deems relevant in
30 determining the economic impact of a proposed project.

31 Sec. 4. NEW SECTION. 15.603 **Applications — authorization**
32 **of tax incentives.**

33 1. Applications for the program shall be submitted to the
34 authority in the form and manner prescribed by the authority by
35 rule. Each application must be accompanied by an application

1 fee in an amount determined by the authority by rule.

2 2. In determining the eligibility of a business to
3 participate in the program the authority may engage outside
4 experts to complete a technical, financial, or other review
5 of an application submitted by a business if such review is
6 outside the expertise of the authority.

7 3. The authority and the board may negotiate with an
8 eligible business regarding the terms of, and the aggregate
9 value of, the tax incentives the eligible business may receive
10 under the program.

11 Sec. 5. NEW SECTION. 15.604 **Agreement.**

12 1. An eligible business that is approved by the authority to
13 participate in the program shall enter into an agreement with
14 the authority that specifies the criteria for the successful
15 completion of all requirements of the program. The agreement
16 must contain, at a minimum, provisions related to all of the
17 following:

18 a. The eligible business must certify to the authority
19 annually that the business is in compliance with the agreement.

20 b. If the eligible business fails to comply with any
21 requirements of the program or the agreement, the eligible
22 business may be required to repay any tax incentives the
23 authority issued to the eligible business. After a final
24 determination by the authority, the authority will notify
25 the department of revenue of any required repayment of a
26 tax incentive, which shall be considered a tax payment due
27 and payable to the department of revenue by any taxpayer
28 that claimed the tax incentive, and the failure to make the
29 repayment may be treated by the department of revenue in the
30 same manner as a failure to pay the tax shown due, or required
31 to be shown due, with the filing of a return or deposit form.

32 c. If the eligible business undergoes a layoff or
33 permanently closes any of its facilities within the state, the
34 eligible business may be subject to all of the following:

35 (1) A reduction or elimination of some or all of the tax

1 incentives the authority issued to the eligible business.

2 (2) Repayment of any tax incentives that the business
3 has claimed, and payment of any penalties assessed by the
4 department of revenue.

5 *d.* The end date of the agreement.

6 *e.* The number of new corporate jobs and retained corporate
7 jobs to be created or retained as part of the project, the
8 qualifying wage threshold applicable to the project, and the
9 date on which the authority will initially verify the eligible
10 business employs the required number of new corporate jobs and
11 retained corporate jobs.

12 *f.* The maximum aggregate value of the tax incentives
13 authorized by the board.

14 *g.* The eligible business shall only employ individuals
15 legally authorized to work in this state. If the eligible
16 business is found to knowingly employ individuals who are
17 not legally authorized to work in this state, in addition to
18 any penalties provided by law, the eligible business may be
19 required to repay all or a portion of any tax incentives the
20 authority issued to the eligible business.

21 *h.* A requirement that the eligible business must continue to
22 own and operate a corporate headquarters in the state until the
23 end date of the agreement as specified in paragraph "d".

24 *i.* Any terms deemed necessary by the authority to effect the
25 eligible business's ongoing compliance with section 15.602.

26 2. The board shall not amend the terms of the agreement
27 to allow an increase in the maximum aggregate value of tax
28 incentives authorized by the board under section 15.603.

29 3. The eligible business shall comply with all applicable
30 terms of the agreement until the agreement end date. An
31 eligible business shall maintain the business's base employment
32 level until the agreement end date.

33 4. The eligible business shall not assign the agreement
34 to another entity without the advance written approval of the
35 board.

1 5. The authority may enforce the terms of the agreement as
2 necessary and appropriate.

3 Sec. 6. NEW SECTION. 15.605 **Qualifying wage tax credit.**

4 1. If the authority has entered into an agreement with an
5 eligible business pursuant to section 15.604, the authority
6 may authorize a qualifying wage tax credit with the eligible
7 business for a period not to exceed three years according
8 to the start and end date specified in the agreement. The
9 authority may issue a qualifying wage tax credit to the
10 eligible business for each year of the authorized period upon
11 verification under section 15.604, subsection 1, paragraph
12 "e", that the eligible business employed the required number
13 of employees in new corporate jobs and retained corporate jobs
14 that pay at least two hundred percent of the qualifying wage
15 threshold. The tax credit for each year of the authorized
16 period shall equal no more than the sum of all of the
17 following:

18 a. Up to fifteen percent of the gross annual wages of new
19 corporate jobs that pay at least two hundred percent of the
20 qualifying wage threshold.

21 b. Up to one percent of the gross annual wages of retained
22 corporate jobs that pay at least two hundred percent of the
23 qualifying wage threshold, not to exceed one million dollars.

24 2. A tax credit shall be allowed against the taxes imposed
25 in chapter 422, subchapters II, III, and V, and against the
26 moneys and credits tax imposed in section 533.329.

27 3. In order for a taxpayer to claim a tax credit under
28 subsection 1, a tax credit certificate issued by the authority
29 shall be included with the taxpayer's tax return. The tax
30 credit certificate shall contain the taxpayer's name, address,
31 tax identification number, the amount of the credit, and other
32 information required by the authority.

33 4. An individual may claim a tax credit under subsection
34 1 on behalf of a partnership, limited liability company,
35 S corporation, estate, or trust electing to have income

1 taxed directly to the individual. The amount claimed by the
2 individual shall be based upon the pro rata share of the
3 individual's earnings from the partnership, limited liability
4 company, S corporation, estate, or trust.

5 5. Any tax credit in excess of the taxpayer's liability
6 for the tax year is refundable. In lieu of claiming a refund,
7 an eligible business may elect to have the overpayment shown
8 on the eligible business's final, completed return credited
9 to the eligible business's tax liability for the immediately
10 succeeding tax year. A tax credit shall not be carried back
11 to a tax year prior to the tax year in which the tax credit is
12 first claimed by the eligible business.

13 6. Tax credit certificates issued pursuant to this section
14 are not transferable.

15 Sec. 7. NEW SECTION. 15.606 Other incentives.

16 The authority, in its discretion, may prohibit an eligible
17 business that has been issued tax incentives under the program
18 from receiving any additional tax incentive, tax credit,
19 grant, loan, or other financial assistance under any program
20 administered by the authority.

21 Sec. 8. NEW SECTION. 422.12R Qualifying wage tax credit.

22 The taxes imposed under this subchapter, less the credits
23 allowed under section 422.12, shall be reduced by a qualifying
24 wage tax credit allowed under section 15.605.

25 Sec. 9. Section 422.33, Code 2026, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 4. The taxes imposed under this subchapter
28 shall be reduced by a qualifying wage tax credit allowed under
29 section 15.605.

30 Sec. 10. Section 422.60, Code 2026, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 2. The taxes imposed under this subchapter
33 shall be reduced by a qualifying wage tax credit allowed under
34 section 15.605.

35 Sec. 11. Section 533.329, subsection 2, Code 2026, is

1 amended by adding the following new paragraph:

2 NEW PARAGRAPH. *m.* The moneys and credits tax imposed under
3 this section shall be reduced by a qualifying wage tax credit
4 allowed under section 15.605.

5 Sec. 12. CODE EDITOR DIRECTIVE. The Code editor is directed
6 to designate sections 15.600 through 15.606, as enacted in this
7 division of this Act, as part 37 of subchapter II.

8 DIVISION II

9 MAJOR ECONOMIC GROWTH ATTRACTION PROGRAM

10 Sec. 13. Section 15.491, subsection 12, Code 2026, is
11 amended to read as follows:

12 12. "*Foreign adversary*" means a the following:

13 a. A foreign government or foreign non-government person as
14 determined in 15 C.F.R. §7.4, and that is listed in 15 C.F.R.
15 §7.4(a) at any time from March 4, 2024, through ~~the termination~~
16 ~~of the program~~ July 17, 2024.

17 b. A foreign government or foreign non-government person as
18 determined in 15 C.F.R. §791.4, and that is listed in 15 C.F.R.
19 §791.4 at any time from July 18, 2024, through the termination
20 of the program.

21 Sec. 14. Section 15.501, Code 2026, is amended to read as
22 follows:

23 **15.501 Restrictions on board.**

24 The board shall not authorize tax incentives available under
25 the program, or an exemption to restrictions on agricultural
26 land holdings pursuant to this part, for more than two eligible
27 businesses, or on or after January 1, ~~2027~~ 2030, whichever
28 occurs first.

29 DIVISION III

30 BUSINESS INCENTIVES FOR GROWTH PROGRAM TRAINING FUND

31 Sec. 15. NEW SECTION. **15.512 Training fund.**

32 1. A business incentives for growth program training fund
33 is created in the state treasury under the control of the
34 authority. An amount up to one and one-half percent of the
35 gross wages an eligible business pays according to an agreement

1 entered into pursuant to section 15.506 shall be credited to
2 the fund from the withholding payments made by an eligible
3 business pursuant to section 422.16. Such jobs shall be
4 identified by the authority as having a sufficient economic
5 impact to warrant assistance with training.

6 2. On a quarterly basis, an eligible business shall disclose
7 the amount of gross wages that qualify under subsection 1 to
8 the authority and to the department of revenue. Based upon
9 the gross wage amount provided to the authority, the authority
10 shall calculate the amount of gross wages to be deposited into
11 the fund for the quarter, and the department of revenue shall
12 deposit that amount into the fund.

13 3. Moneys in the fund shall be used to reimburse training
14 expenses incurred by an eligible business that are associated
15 with the eligible business's project.

16 4. An eligible business's training expenses that may be
17 eligible for reimbursement must meet all of the following
18 criteria:

19 a. The expenses are paid to a third party.

20 b. The expenses are for training that is specific to the
21 project of the eligible business and necessary for the success
22 of the project.

23 c. The expenses were incurred over the period of time
24 identified in the agreement under section 15.506, but not to
25 exceed four years.

26 d. The expenses are documented to the satisfaction of the
27 authority.

28 5. An eligible business that has been approved by the
29 authority to receive a reimbursement from the fund shall not be
30 eligible to receive any other state incentive to be used for
31 the same purpose.

32 DIVISION IV

33 REPEAL OF THE NEW JOBS TAX CREDIT

34 Sec. 16. Section 2.48, subsection 3, paragraph e,
35 subparagraph (7), Code 2026, is amended by striking the

1 subparagraph.

2 Sec. 17. REPEAL. Section 422.11A, Code 2026, is repealed.

3 Sec. 18. PRESERVATION OF EXISTING RIGHTS. This division of
4 this Act shall not limit, modify, or otherwise adversely affect
5 any amount of tax incentive issued, awarded, or allowed before
6 the effective date of this division of this Act, nor shall
7 it limit, modify, or otherwise adversely affect a taxpayer's
8 right to claim or redeem a tax incentive issued, awarded, or
9 allowed before the effective date of this division of this Act,
10 including but not limited to any tax incentive carryforward
11 amount.

12 Sec. 19. EFFECTIVE DATE. This division of this Act, being
13 deemed of immediate importance, takes effect upon enactment.

14 DIVISION V

15 LOAD FORECASTING

16 Sec. 20. NEW SECTION. 15.120A Load forecasting report and
17 analysis of electric transmission system expansion plans.

18 To support economic development in the state, the authority
19 shall commission Iowa state university of science and
20 technology to produce a report forecasting the probable future
21 growth of the use of electricity within Iowa and within the
22 midwest region. The report shall include a load forecast and
23 an analysis of electric transmission system expansion plans.
24 The authority must commission such report from the university
25 at least every two years. In developing the report, the
26 university shall solicit the input of residential, commercial,
27 and industrial consumers and the electric industry. The load
28 forecast and state electric transmission system expansion
29 planning analysis must be published by December 31, 2028, and
30 biennially published on or before December 31 thereafter. The
31 authority may commission other reports as necessary to evaluate
32 energy needs including but not limited to natural gas. A
33 report commissioned pursuant to this section must be publicly
34 available on the authority's internet site.

35 Sec. 21. Section 476.1A, subsection 2, Code 2026, is amended

1 to read as follows:

2 2. However, ~~sections~~ section 476.2, subsection 7, section
3 476.20, subsections 1 through 4, sections 476.21, 476.51,
4 476.56, 476.58, 476.62, and 476.66, and chapters 476A and 478,
5 to the extent applicable, apply to such electric utilities.

6 Sec. 22. Section 476.1B, subsection 2, Code 2026, is amended
7 to read as follows:

8 2. ~~Section 476.20, subsections 1 through 4,~~ Section 476.2,
9 subsection 7, section 476.20, subsections 1 through 4, sections
10 476.51, 476.56, 476.58, 476.62, and 476.66, and chapters 476A
11 and 478, to the extent applicable, apply to such electric and
12 gas utilities.

13 Sec. 23. Section 476.2, Code 2026, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 7. The commission shall have the authority
16 to compel all public utilities to share with Iowa state
17 university of science and technology information necessary to
18 develop state load forecasts and state electric transmission
19 system expansion planning analysis pursuant to section 15.120A.
20 The load forecast and state electric transmission system
21 expansion planning analysis published pursuant to section
22 15.120A may be used as evidentiary support in any proceedings
23 before the commission.

24 Sec. 24. NEW SECTION. **476.10C Load forecasts and analyses**
25 **of state electric transmission system expansion plans — fund.**

26 1. An electric transmission system expansion plans analysis
27 and load forecasting fund is created in the state treasury
28 under the control of the economic development authority. The
29 commission shall direct all electric utilities to remit to the
30 treasurer of state for deposit in the electric transmission
31 system expansion plans analysis and load forecasting fund a
32 percentage of the total gross operating revenues during the
33 last calendar year derived from the utilities' intrastate
34 public utility operations. Moneys in the fund are appropriated
35 to the economic development authority to be used for the

1 purposes of commissioning a report pursuant to section 15.120A.
2 Notwithstanding section 8.33, moneys in the fund that remain
3 unencumbered or unobligated at the close of a fiscal year shall
4 not revert but shall remain available for expenditure for the
5 purposes designated. Notwithstanding section 12C.7, subsection
6 2, interest or earnings on moneys in the fund shall be credited
7 to the fund.

8 2. The commission shall, by rule, establish a maximum
9 amount of remittances in aggregate and provide a schedule
10 for remittances. The remittances collected pursuant to this
11 section shall be in addition to the assessments permitted
12 pursuant to section 476.10. The commission shall allow
13 inclusion of these remittances in the budgets approved by the
14 commission pursuant to section 476.6, subsection 15, paragraph
15 "c".

16 DIVISION VI

17 IOWA INDUSTRIAL NEW JOBS TRAINING PROGRAM

18 Sec. 25. Section 260E.3, subsection 1, paragraph b, Code
19 2026, is amended to read as follows:

20 b. New For an agreement entered into on or before June
21 30, 2026, new jobs credit from withholding to be received or
22 derived from new employment resulting from the project.

23 Sec. 26. Section 260E.3, subsection 4, Code 2026, is amended
24 to read as follows:

25 4. An agreement shall include a provision which fixes the
26 minimum amount of incremental property taxes, ~~new jobs credit~~
27 ~~from withholding,~~ or tuition and fee payments which shall be
28 paid for program costs. An agreement entered into on or before
29 June 30, 2026, may include a provision which fixes the minimum
30 amount of new jobs credit from withholding which shall be paid
31 for program costs.

32 Sec. 27. Section 260E.5, unnumbered paragraph 1, Code 2026,
33 is amended to read as follows:

34 ~~If an~~ For an agreement entered into on or before June
35 30, 2026, if the agreement provides that all or part of

1 program costs are to be met by receipt of new jobs credit from
2 withholding, it shall be done as follows:

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with
5 the explanation's substance by the members of the general assembly.

6 This bill relates to economic development authority programs
7 and tax credits; load forecasting and the state electric
8 transmission system expansion plans; and the industrial new
9 jobs training program.

10 DIVISION I — HEADQUARTERS EXPANSION AND DEVELOPMENT FOR
11 GROWTH AND EMPLOYMENT PROGRAM. The bill creates a headquarters
12 expansion and development for growth and employment program
13 (EDGE program) to provide tax incentives to eligible
14 businesses. The qualifications for an eligible business, and
15 the factors the economic development authority (authority)
16 shall consider in determining if a business is eligible to
17 participate in the EDGE program are provided in the bill.
18 Applications for the EDGE program shall be submitted to the
19 authority.

20 The terms of, and aggregate value of, a tax incentive may
21 be negotiated between an eligible business, the authority, and
22 the board comprised of members of the authority appointed by
23 the governor (board). An eligible business that is approved to
24 participate in the EDGE program shall enter into an agreement
25 with the authority specifying the criteria for successful
26 completion of the program requirements. The requirements
27 for the program agreement are detailed in the bill, and the
28 authority may enforce such requirements.

29 If the authority enters into an agreement with an eligible
30 business, the authority may authorize a qualifying wage tax
31 credit for the eligible business for a period not to exceed
32 three years as specified in the agreement. The authority may
33 issue a qualifying wage tax credit to the eligible business for
34 each year of the authorized period upon verification that the
35 eligible business employed the required number of employees

1 in new corporate jobs and retained corporate jobs that pay
2 at least 200 percent of the qualifying wage threshold. The
3 tax credit for each year of the authorized period shall equal
4 no more than the amount specified in the bill. A taxpayer
5 shall include a tax credit certificate issued by the authority
6 with the taxpayer's tax return to claim the tax credit. An
7 individual may claim a tax credit on behalf of a partnership,
8 limited liability company, S corporation, estate, or trust
9 electing to have income taxed directly to the individual in
10 an amount based upon the pro rata share of the individual's
11 earnings. Any tax credit in excess of the taxpayer's liability
12 for the tax year is refundable or may be credited to the
13 immediately succeeding tax year. Tax credit certificates are
14 not transferable.

15 The authority may prohibit an eligible business that
16 receives a tax incentive from the program from receiving any
17 other tax incentives or financial assistance under any program
18 administered by the authority.

19 Under the bill, individual and corporate income taxes,
20 financial institution franchise taxes, and money and credits
21 taxes on credit unions shall be reduced by a qualifying wage
22 tax credit.

23 DIVISION II — MAJOR ECONOMIC GROWTH ATTRACTION PROGRAM.

24 The bill amends the definition of a "foreign adversary" under
25 the major economic growth attraction program (MEGA program).
26 Under current law, a foreign adversary is a foreign government
27 or foreign nongovernment person as determined in 15 C.F.R.
28 §7.4, and as listed in 15 C.F.R. §7.4(a) at any time from March
29 4, 2024, through the termination of the program. Under the
30 bill, a foreign adversary is a foreign government or foreign
31 nongovernment person as determined in 15 C.F.R. §7.4, and as
32 listed in 15 C.F.R. §7.4(a) at any time from March 4, 2024,
33 through July 17, 2024, or, as determined in 15 C.F.R. §791.4,
34 and as listed in 15 C.F.R. §791.4 at any time from July 18,
35 2024, through the termination of the program.

1 Under current law, the board shall not authorize tax
2 incentives available under the MEGA program, or an exemption to
3 restrictions on agricultural land holdings, for more than two
4 eligible businesses, or on or after January 1, 2027, whichever
5 occurs first. The bill extends this provision to January 1,
6 2030.

7 DIVISION III — BUSINESS INCENTIVES FOR GROWTH PROGRAM
8 TRAINING FUND. The bill creates a business incentives for
9 growth program training fund (fund) in the state treasury under
10 the control of the authority.

11 Under the bill, an amount up to 1.5 percent of the gross
12 wages an eligible business pays pursuant to an agreement
13 with the authority shall be credited to the fund from the
14 withholding payments made by the eligible business. Such jobs
15 shall be identified by the authority as having a sufficient
16 economic impact to warrant assistance with training. On a
17 quarterly basis, an eligible business shall disclose the
18 amount of gross wages that qualify to the authority and to the
19 department of revenue (DOR). The authority shall calculate the
20 amount of gross wages to be deposited into the fund, and the
21 DOR shall deposit that amount into the fund.

22 Moneys in the fund shall be used to reimburse training
23 expenses incurred by an eligible business that are associated
24 with the eligible business's project, and that meet the
25 requirements detailed in the bill. An eligible business that
26 has been approved to receive a reimbursement from the fund
27 shall not receive any other state incentives for the same
28 purpose.

29 DIVISION IV — REPEAL OF THE NEW JOBS TAX CREDIT. The
30 bill repeals the new jobs tax credit under Code section
31 422.11A. The bill makes a conforming change to Code section
32 2.48(3)(e)(7).

33 This division of the bill, being deemed of immediate
34 importance, takes effect upon enactment.

35 DIVISION V — LOAD FORECASTING. The bill relates to load

1 forecasting and analysis of electric transmission system
2 expansion plans. The bill directs the authority to commission
3 Iowa state university of science and technology (ISU) to
4 produce a report forecasting the probable future growth of
5 electricity use within the state and within the midwest region.
6 The report must include a load forecast and an analysis of
7 electric transmission system expansion plans, and must be
8 commissioned from ISU at least once every two years. In
9 developing the report, ISU must solicit input from residential,
10 commercial, and industrial consumers and the electric industry.
11 The load forecast and electric transmission system expansion
12 planning analysis must be published by December 31, 2028, and
13 biennially published on or before December 31 thereafter. The
14 authority may commission other reports as necessary to evaluate
15 energy needs. A report shall be made publicly available on the
16 authority's internet site.

17 The bill grants the Iowa utilities commission (commission)
18 authority to compel public utilities to share with ISU
19 information necessary to develop the load forecasts and
20 electric transmission system expansion planning analysis
21 required under the bill. The bill also provides that the load
22 forecast and electric transmission system expansion planning
23 analysis may be used as evidentiary support in any proceedings
24 before the commission. This authority to compel includes
25 all electric utilities, including electric public utilities
26 with few customers, electric cooperative corporations and
27 associations, and municipally owned utilities.

28 The bill requires the commission to direct all electric
29 utilities to remit to the treasurer of state for deposit in the
30 electric transmission system expansion planning analysis and
31 load forecasting fund, as created in the bill, a percentage of
32 the utilities' total gross intrastate operating revenues from
33 the prior year. Moneys in the fund are appropriated to the
34 authority for the purpose of commissioning the load forecasting
35 report and analysis. The bill directs the commission to

1 establish by rule an aggregate maximum amount of remittances
2 and a schedule for remittances. The remittances are in
3 addition to assessments otherwise permitted and may be included
4 in budgets approved for energy efficiency implementation.

5 DIVISION VI — IOWA INDUSTRIAL NEW JOBS TRAINING PROGRAM.

6 Under current law, a community college may enter into an
7 agreement to establish a project which shall provide for
8 program costs, including deferred costs, which may be paid
9 from one or more sources, including the new jobs credit from
10 withholding to be received or derived from new employment
11 resulting from the project. The agreement shall include
12 a provision which fixes the minimum amount of incremental
13 property taxes, new jobs credit from withholding, or tuition
14 and fee payments which shall be paid for program costs.
15 Under the bill, the new jobs credit from withholding is only
16 available for agreements entered into on or before June 30,
17 2026, and such an agreement may include a provision which fixes
18 the minimum amount of new jobs credit from withholding which
19 shall be paid for program costs.