



Iowa Department of  
**REVENUE**

**Iowa Venture Capital Tax Credit –  
Iowa Fund of Funds  
(A Repealed Tax Credit)**

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## **Preface**

Iowa Code Section 2.48 requires certain state agencies, including the Department of Revenue, to review a schedule of tax expenditures each year and file a report with the legislature. Each review is required to assess the tax expenditure's equity, simplicity, competitiveness, public purpose, adequacy, and extent of conformance with the original purpose of the enacting legislation. A review may also include recommendations for better aligning a tax expenditure with the original intent of the enacting legislation. Under Iowa Code Section 2.48, the Iowa Venture Capital Tax Credit - Iowa Fund of Funds is scheduled for review in 2022.

## **Tax Credit Program Overview**

The Iowa Venture Capital Tax Credit – Iowa Fund of Funds (IFOF) was formerly a tax credit program administered by the Iowa Capital Investment Board (ICIB) and Iowa Department of Revenue (IDR). It was a contingent tax credit allowed for investments made into the Iowa Fund of Funds, intended to encourage venture capital investment in Iowa.

The tax credit program was established by the Legislature effective in 2002 with the goals of increasing business development in Iowa, creating jobs, and diversifying the economy (Iowa Code, 15E.61, 2022). In 2013, Iowa lawmakers enacted legislation to wind down the program. Since 2017, no further tax credits may be issued under this program, no program tax credits have been claimed, and there are no outstanding tax credits that may be claimed.

## **References**

Iowa Code Sections 15E.61 and 15E.72. 2022.

Iowa Tax Credits Users Manual, 2021. <https://tax.iowa.gov/reports/tax-credits-users-manual>