

DATE: October 4, 2006

TO: Members of the 2005 General Assembly and Governor

FROM: Mary Lawyer, Director, Iowa Department of Economic Development

SUBJECT: IDED Business Training Services Annual Report

This memo is in fulfillment of House File 2731, signed on May 30, 2006, which requires an annual report on the status of the Targeted Jobs Withholding Tax Credit pilot program for the fiscal year ending June 30, 2006.

The department is preparing administrative rules for this program, which will be taken to the Iowa department of economic development board on July 20, 2006 for review and approval. These rules will allow the department to begin the application process for eligible communities seeking pilot project city status. Per the legislation, eligible communities must apply for designation as a pilot project city before October 1, 2006. It is anticipated that the Iowa department of economic development board will approve the four pilot project cities by November, 2006.

The department looks forward to working with Iowa communities and economic development groups to implement this pilot program.