



## Fiscal Services Division

### ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

July 16, 2024

Iowa Code section [17A.4\(4\)](#) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at [www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact](http://www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact).

With each rule summary, the rulemaking type is indicated in parentheses following the ARC number. The acronyms have the following meanings: Notice of Intended Action (**NOIA**), Amended Notice of Intended Action (**ANOIA**), Notice of Termination (**NOT**), Adopted and Filed Emergency (**AFE**), Filed Emergency After Notice (**FEAN**), and Adopted and Filed (**AF**).

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#### Economic Development Authority

#### **ARC 8047C (NOIA) & ARC 8046C (AFE)**

**Rule Summary** Establishes the Major Economic Growth Attraction (MEGA) Program. The MEGA Program provides incentives to advanced manufacturing, bioscience, or research and development businesses to attract investments in the State exceeding \$1.0 billion.

**State or Federal Law Implemented:** 2024 Iowa Acts, [Senate File 574](#) (Major Economic Growth Attraction Program Act).

**Fiscal Impact** **Agency Response:** This rulemaking has no fiscal impact to the State of Iowa beyond that of the legislation it is intended to implement.

**LSA Response:** The LSA concurs. The **Fiscal Note** for SF 574 estimated a reduction in General Fund revenue per project by the following amounts:

- FY 2028 = \$18.2 million
- FY 2029 = \$18.4 million
- FY 2030 = \$18.5 million
- FY 2031 = \$18.7 million
- FY 2032 = \$18.9 million

The rulemaking establishes an application fee for the Program as specified in SF 574. The fee per approved project is estimated to be \$98,000 per year for five years.

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# Administrative Rules — Fiscal Impact Summaries

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## Department of Revenue

### ARC 8071C (NOIA)

**Rule Summary** Implements the Employer Childcare Tax Credit, which is available to businesses that receive an award certificate from the Iowa Economic Development Authority (IEDA) and incur expenditures in Iowa that qualify for the federal Employer-Provided Childcare Tax Credit. Provides proposed administrative rules that describe how to calculate and claim the tax credit and includes other restrictions and requirements.

**State or Federal Law Implemented:** Iowa Code section 237A.31; 2022 Iowa Acts, chapter 1148 (FY 2023 Economic Development Appropriations Act); and 26 U.S.C. §45F.

**Fiscal Impact** **Agency Response:** This rulemaking has no fiscal impact to the State of Iowa beyond that of the legislation it is intended to implement. Iowa Code section 237A.31 limits the aggregate amount of tax credits that the IEDA may approve to \$2.0 million annually.

**LSA Response:** The LSA concurs. The rulemaking has no fiscal impact to the State beyond that of the legislation it is intended to implement. The **Notes on Bills and Amendments** published for the 2022 Iowa Acts, chapter 1148, estimated that the annual cost associated with the Employer Childcare Tax Credit will decrease the individual income tax, franchise tax, gross premiums tax, and moneys and credits tax revenues deposited in the General Fund by a combined \$40,000 in FY 2023, \$800,000 in FY 2024, and \$740,000 in FY 2025.

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## Department of Health and Human Services

### ARC 8084C (NOIA)

**Rule Summary** Reimplements an option to issue a 90-day supply on a continuing basis for select, cost-effective generic maintenance medications at the discretion of the prescriber while adhering to the guidelines provided by the Medicaid Drug Utilization Review (DUR) Commission. The Department of Health and Human Services (HHS) temporarily allowed an optional 90-day supply on all medications from March 19, 2020, through May 12, 2023, due to the Public Health Emergency (PHE).

**State or Federal Law Implemented:** Iowa Code section 249A.4.

**Fiscal Impact** **Agency Response:** No fiscal impact.

**LSA Response:** The LSA does not concur. Following communication with the HHS, it was discovered that there is an estimated total State and federal savings of approximately \$7.0 million per year as a result of this rulemaking. The estimated savings figure comes from a fiscal analysis that was completed by the HHS in June 2023. The analysis was completed by annualizing the savings observed from October 2022 to March 2023 for the medications that will be eligible for a 90-day supply. The LSA is continuing to work with the HHS to determine the amount and to obtain a breakdown of the savings.

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