HF 703 – Hoover Tax Credit Extension (LSB1647HV)
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Fiscal Note Version – New

Description
House File 703 relates to the Hoover Presidential Library Tax Credit. Under current law, tax credits may be awarded through the end of calendar year (CY) 2023. The Bill extends award availability through the end of CY 2024.

Background
The Hoover Presidential Library Tax Credit equals 25.0% of a taxpayer’s qualified donation to the Hoover Presidential Library Foundation for use through the Hoover Presidential Library and Museum Fund. The total amount of tax credits that may be awarded under this tax credit program is $5.0 million, representing $20.0 million in potential donations. The credit is not transferable or refundable. Unused credits may be carried forward for up to five additional tax years.

The tax credit was first available for donations starting January 1, 2021. Through December 31, 2022, tax credits totaling $469,000 have been awarded. Under current law, tax credits may be awarded through December 31, 2023.

Assumptions
- Tax credit awards during CY 2023 are assumed to total $750,000.
- Total credit awards will not reach the $5.0 million program limit by December 31, 2023.
- With the extension contained in the Bill, tax credit awards during CY 2024 are assumed to total $750,000.
- Tax credit awards are assumed to be redeemed 75.0% in the fiscal year following the year of award and 5.0% each fiscal year for the next five fiscal years.

Fiscal Impact
Extending the tax credit award deadline will allow credits to be awarded that will not be available without a law change that extends the availability of the tax credits. The tax credit extension is projected to reduce General Fund revenue by the following amounts:
- FY 2025 = $560,000.
- FY 2026 through FY 2030 = $38,000 per fiscal year.

Sources
Department of Revenue
Contingent Liabilities Report (March 2023)
Hoover Presidential Foundation annual report
Legislative Services Agency

/s/ Jennifer Acton
April 11, 2023
The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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