
FISCAL TOPICS

Fiscal Services Division

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Tax Credit: Business Incentives for Growth Program

The Business Incentives for Growth (BIG) Program is the successor to the High Quality Jobs Program. The BIG Program provides tax incentives for eligible businesses that are primarily engaged in advanced manufacturing, bioscience, insurance and finance, or technology and innovation. Data centers, retail businesses, and businesses that require membership are not eligible for the Program. The Program has an award cap of \$50.0 million per fiscal year and is subject to an annual \$110.0 million aggregate tax credit limit for business development tax credits under the Iowa Economic Development Authority (IEDA). The value of a business's tax incentives may not exceed 5.0% of the business's qualifying investment in a county with a population of more than 20,000 or 7.5% in a county with a population of 20,000 or less.

The following tax incentives are available under the BIG Program:

- A sales and use tax refund for taxes paid on gas, electricity, water, and sewer utility services; on tangible personal property; or on certain services for the construction or equipping of a facility.
- An Investment Tax Credit (ITC) that can be claimed against the personal income, corporate income, franchise, and moneys and credits tax.
- A property tax exemption provided by a participating local government for a portion of the actual value added by improvements to real property through the project.

Tax Credit Background

- Enabling Legislation: 2025 Iowa Acts, chapter [136](#) (Tax Credits and Incentives and Economic Development Programs Act)
- Iowa Code Citations:
 - Section [15.119](#) — Award Limitation
 - Sections 15.502, 15.503, 15.504, 15.505, 15.506, 15.507, 15.508, 15.509, 15.510, and 15.511 — Program Description
 - Section [422.11F\(2\)](#) — Individual Income Tax
 - Section [422.33\(12\)\(b\)](#) — Corporate Income Tax
 - Section [422.60\(5\)\(b\)](#) — Franchise Tax
 - Section [432.12C\(2\)](#) — Insurance Premium Tax
 - Section [533.329\(2\)\(d\)](#) — Moneys and Credits Tax
- Administrative State Agencies: IEDA and Iowa Department of Revenue (IDR)
- Sunset Date: None
- Transferable: No
- Refundable: Yes
- Carryforward: Yes
- Tax Review Committee Review Year: None

Legislative History

The BIG Program is effective as of January 1, 2026.

More Information

Department of Revenue Contingent Liabilities Report: revenue.iowa.gov/media/4301/download?inline

Department of Revenue Tax Credits Users' Manual: revenue.iowa.gov/media/3380/download?inline

Legislative Services Agency Individual Income Tax Guide:

legis.iowa.gov/docs/publications/LG/711304.pdf

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Tax Credit Review, Usage, and Future Liability

The IDR reports on the annual credit usage for the BIG Program Tax Credit in its periodic [Contingent Liabilities Report](#). Based on Table 8 of the report, the following figures provide credit redemption history and projections for the Program on a fiscal year basis. The blue bars of **Figure 2** indicate the actual credit redemptions, while the red bars are the IDR projections of future redemptions.

Figure 1 — Business Incentives for Growth Program Tax Credit History

*Projected

Fiscal Year	Tax Credit Redemptions	Fiscal Year	Tax Credit Redemptions
FY 2011	\$ 0	FY 2021	\$ 0
FY 2012	0	FY 2022	0
FY 2013	0	FY 2023	0
FY 2014	0	FY 2024	0
FY 2015	0	FY 2025	0
FY 2016	0	FY 2026*	0
FY 2017	0	FY 2027*	0
FY 2018	0	FY 2028*	0
FY 2019	0	FY 2029*	5,200,000
FY 2020	0	FY 2030*	10,200,000

Figure 2 — Business Incentives for Growth Program Tax Credit Redemptions

*Projected (in Millions)

