

# House File 2561

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## AN ACT

CREATING A JOB CORPS CENTER NEW JOBS TAX CREDIT AND PROVIDING  
EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 422.11J JOB CORPS CENTER NEW  
JOBS TAX CREDIT.

The taxes imposed under this division, less the credits  
allowed under sections 422.12 and 422.12B, shall be reduced by  
a job corps center new jobs tax credit. An employer who hires  
a graduate of a job corps center on a full-time basis within  
six months of the employee's graduation from the job corps  
center or within three years of the employee's graduation from  
the job corps center if the job corps center graduate elects  
to attend a community college in Iowa within six months of the  
employee's graduation from the job corps center is entitled to  
the job corps center new jobs tax credit. The amount of the  
tax credit for each employed job corps graduate is equal to  
the product of six percent of the taxable wages paid to the  
graduate upon which the employer is required to contribute to  
the state unemployment compensation fund, as defined in  
section 96.19, subsection 37, multiplied by the number of  
whole months the graduate is employed by the employer during  
the tax year divided by twelve. The tax credit applies only  
to the first twelve months of employment for each graduate  
hired. An individual may claim the tax credit allowed a  
partnership, subchapter S corporation, or estate or trust  
electing to have the income taxed directly to the individual.  
The amount claimed by the individual shall be based upon the  
pro rata share of the individual's earnings of the  
partnership, subchapter S corporation, or estate or trust.

For purposes of this section, "job corps center" is defined as  
a campus located in Iowa that is part of the nationwide  
network of campuses organized under the federal job corps  
program authorized by the federal Workforce Investment Act of  
1998, Pub. L. No. 10=222.

Sec. 2. Section 422.33, Code Supplement 2003, is amended  
by adding the following new subsection:

NEW SUBSECTION. 16. The taxes imposed under this division  
shall be reduced by a job corps center new jobs tax credit.  
An employer who hires a graduate of a job corps center on a  
full-time basis within six months of the employee's graduation  
from the job corps center or within three years of the  
employee's graduation from the job corps center if the job  
corps center graduate elects to attend a community college in  
Iowa within six months of the employee's graduation from the  
job corps center is entitled to the job corps center new jobs  
tax credit. The amount of the tax credit for each employed  
job corps graduate is equal to the product of six percent of  
the taxable wages paid to the graduate upon which the employer  
is required to contribute to the state unemployment  
compensation fund, as defined in section 96.19, subsection 37,  
multiplied by the number of whole months the graduate is  
employed by the employer during the tax year divided by  
twelve. The tax credit applies only to the first twelve  
months of employment for each graduate hired. An individual  
may claim the tax credit allowed a partnership, subchapter S  
corporation, or estate or trust electing to have the income  
taxed directly to the individual. The amount claimed by the  
individual shall be based upon the pro rata share of the  
individual's earnings of the partnership, subchapter S  
corporation, or estate or trust. For purposes of this  
section, "job corps center" is defined as a campus located in  
Iowa that is part of the nationwide network of campuses  
organized under the federal job corps program authorized by  
the federal Workforce Investment Act of 1998, Pub. L. No. 10=  
222.

Sec. 3. EFFECTIVE AND APPLICABILITY DATES. This Act,  
being deemed of immediate importance, takes effect upon  
enactment. This Act applies retroactively to January 1, 2004,  
and is applicable to tax years beginning on and after that  
date.

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CHRISTOPHER C. RANTS  
Speaker of the House

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JEFFREY M. LAMBERTI  
President of the Senate

I hereby certify that this bill originated in the House and  
is known as House File 2561, Eightieth General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2004

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THOMAS J. VILSACK  
Governor