

House File 857 - Enrolled

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HOUSE FILE 857

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AN ACT

RELATING TO ELIGIBLE HOUSING BUSINESSES UNDER THE ENTERPRISE
ZONE PROGRAM.

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Section 1. Section 15E.193B, subsection 8, unnumbered
paragraph 1, Code 2005, is amended to read as follows:

The amount of the tax credits determined pursuant to
subsection 6, paragraph "a", for each project shall be
approved by the department of economic development. The
department shall utilize the financial information required to
be provided under subsection 5, paragraph "e", to determine
the tax credits allowed for each project. In determining the
amount of tax credits to be allowed for a project, the
department shall not include the portion of the project cost
financed through federal, state, and local government tax
credits, grants, and forgivable loans. Upon approving the
amount of the tax credit, the department of economic
development shall issue a tax credit certificate to the
eligible housing business. An eligible housing business or
transferee shall not claim the tax credit unless a tax credit
certificate issued by the department of economic development
is attached to the taxpayer's return for the tax year for
which the tax credit is claimed. The tax credit certificate
shall contain the taxpayer's name, address, tax identification
number, the amount of the tax credit, and other information
required by the department of revenue. The tax credit
certificate shall be transferable if the housing development
is located in a brownfield site as defined in section 15.291,
if the housing development is located in a blighted area as
defined in section 403.17, or if low-income housing tax

credits authorized under section 42 of the Internal Revenue
Code are used to assist in the financing of the housing
development. Not more than three million dollars worth of tax
credits for housing developments that are located in a
brownfield site as defined in section 15.291 or housing
developments located in a blighted area as defined in section
403.17 shall be transferred in one calendar year. The three
million dollar annual limit does not apply to tax credits
awarded to an eligible housing business having low-income
housing tax credits authorized under section 42 of the
Internal Revenue Code to assist in the financing of the
housing development. The department may approve an
application for tax credit certificates for transfer from an
eligible housing business located in a brownfield site as
defined in section 15.291 or in a blighted area as defined in
section 403.17 that would result in the issuance of more than
three million dollars of tax credit certificates for transfer
provided the department, through negotiation with the eligible
business, allocates those tax credit certificates for transfer
over more than one calendar year. The department shall not
issue more than one million five hundred thousand dollars in
tax credit certificates for transfer to any one eligible
housing business located in a brownfield site as defined in
section 15.291 or in a blighted area as defined in section
403.17 in a calendar year. If three million dollars in tax
credit certificates for transfer have not been issued at the
end of a calendar year, the remaining tax credit certificates
for transfer may be issued in advance to an eligible housing
business scheduled to receive a tax credit certificate for
transfer in a later calendar year. Any time the department
issues a tax credit certificate for transfer which has not
been allocated at the end of a calendar year, the department
may prorate the remaining certificates to more than one
eligible applicant. If the entire three million dollars of
tax credit certificates for transfer is not issued in a given
calendar year, the remaining amount may be carried over to a
succeeding calendar year. Tax credit certificates issued
under this chapter may be transferred to any person or entity.
Within ninety days of transfer, the transferee must submit the
transferred tax credit certificate to the department of
economic development along with a statement containing the

3 6 transferee's name, tax identification number, and address, and
3 7 the denomination that each replacement tax credit certificate
3 8 is to carry and any other information required by the
3 9 department of revenue. Within thirty days of receiving the
3 10 transferred tax credit certificate and the transferee's
3 11 statement, the department of economic development shall issue
3 12 one or more replacement tax credit certificates to the
3 13 transferee. Each replacement certificate must contain the
3 14 information required to receive the original certificate and
3 15 must have the same expiration date that appeared in the
3 16 transferred tax credit certificate. Tax credit certificate
3 17 amounts of less than the minimum amount established by rule of
3 18 the department of economic development shall not be
3 19 transferable. A tax credit shall not be claimed by a
3 20 transferee under subsection 6, paragraph "a", until a
3 21 replacement tax credit certificate identifying the transferee
3 22 as the proper holder has been issued.
3 23 Sec. 2. APPLICABILITY. This Act shall apply to transfers
3 24 of tax credit certificates for projects that begin on or after
3 25 July 1, 2005.

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CHRISTOPHER C. RANTS
3 30 Speaker of the House
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JOHN P. KIBBIE
3 35 President of the Senate

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4 2 I hereby certify that this bill originated in the House and
4 3 is known as House File 857, Eighty-first General Assembly.
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MARGARET THOMSON
4 8 Chief Clerk of the House

4 9 Approved _____, 2005
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THOMAS J. VILSACK
4 13 Governor
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