



CHESTER J. CULVER  
GOVERNOR

**OFFICE OF THE GOVERNOR**

PATTY JUDGE  
LT. GOVERNOR

May 21, 2007

The Honorable Michael Mauro  
Secretary of State  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

**Senate File 566**, an Act relating to historic preservation and cultural and entertainment district tax credits, and providing applicability date provisions.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. Culver".

Chester J. Culver  
Governor

CJC:bdj

cc: Secretary of the Senate  
Chief Clerk of the House





SENATE FILE 566

AN ACT

RELATING TO HISTORIC PRESERVATION AND CULTURAL AND ENTERTAINMENT DISTRICT TAX CREDITS, AND PROVIDING APPLICABILITY DATE PROVISIONS.

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

Section 1. Section 404A.1, subsection 1, Code 2007, is amended to read as follows:

1. A historic preservation and cultural and entertainment district tax credit, subject to the availability of the credit, is granted against the tax imposed under chapter 422, division II, III, or V, or chapter 432, for the rehabilitation of eligible property located in this state as provided in this chapter. Tax credits in excess of tax liabilities shall be refunded or credited as provided in section 404A.4, subsection 3.

Sec. 2. Section 404A.4, subsection 3, Code 2007, is amended to read as follows:

3. A person receiving a historic preservation and cultural and entertainment district tax credit under this chapter which is in excess of the person's tax liability for the tax year is entitled to a refund ~~of the excess at a discounted value~~. ~~The discounted value of the tax credit refund, as calculated by the department of economic development, in consultation with the department of revenue, shall be determined based on the discounted value of the tax credit five years after the tax year of the project completion at an interest rate equivalent to the prime rate plus two percent.~~ ~~The refunded tax credit shall not exceed seventy-five percent of the allowable tax credit.~~ Any credit in excess of the tax liability shall be refunded with interest computed under section 422.25. In lieu

of claiming a refund, a taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return credited to the tax liability for the following year.

Sec. 3. Section 404A.4, subsection 4, Code 2007, is amended to read as follows:

4. The total amount of tax credits that may be approved for a fiscal year under this chapter shall not exceed ~~two ten~~ million ~~four-hundred-thousand~~ dollars in the fiscal year beginning July 1, 2007, fifteen million dollars in the fiscal year beginning July 1, 2008, and twenty million dollars in the fiscal year beginning July 1, 2009, and each fiscal year thereafter. ~~For the fiscal period beginning July 1, 2005, and ending June 30, 2015, an additional four million dollars of tax credits may be approved each fiscal year for purposes of projects located in cultural and entertainment districts certified pursuant to section 303.3B.~~ Of the tax credits approved for a fiscal year under this chapter, ten percent of the dollar amount of tax credits shall be allocated for purposes of new projects with qualified costs of five hundred thousand dollars or less, and forty percent of the dollar amount of tax credits shall be allocated for purposes of new projects located in cultural and entertainment districts certified pursuant to section 303.3B or identified in Iowa great places agreements developed pursuant to section 303.3C. Any of the ~~additional~~ tax credits allocated for projects located in certified cultural and entertainment districts or identified in Iowa great places agreements and for projects with a cost of five hundred thousand dollars or less that are not ~~approved~~ reserved during a fiscal year shall be applied to reserved tax credits issued in accordance with section 404A.3 in order of original reservation. The department of cultural affairs shall establish by rule the procedures for the application, review, selection, and awarding of certifications of completion. The departments of ~~economic-development,~~ cultural affairs, and revenue shall each adopt rules to jointly administer this subsection and shall provide by rule for the method to be used to determine for which fiscal year the tax credits are available. With the exception of tax credits issued pursuant to contracts entered into prior to July 1, ~~2005~~ 2007, tax credits shall not be reserved for more than ~~five~~ three years.

Sec. 4. Section 422.11D, subsection 1, Code 2007, is amended to read as follows:

1. The taxes imposed under this division, less the credits allowed under sections 422.12 and 422.12B, shall be reduced by a historic preservation and cultural and entertainment district tax credit equal to the amount as computed under chapter 404A for rehabilitating eligible property. Any credit in excess of the tax liability shall be refunded or credited to the following year, as provided in section 404A.4, subsection 3.

Sec. 5. Section 422.33, subsection 10, paragraph a, Code 2007, is amended to read as follows:

a. The taxes imposed under this division shall be reduced by a historic preservation and cultural and entertainment district tax credit equal to the amount as computed under chapter 404A for rehabilitating eligible property. Any credit in excess of the tax liability shall be refunded or credited to the following year, as provided in section 404A.4, subsection 3.

Sec. 6. Section 422.60, subsection 4, paragraph a, Code 2007, is amended to read as follows:

a. The taxes imposed under this division shall be reduced by a historic preservation and cultural and entertainment district tax credit equal to the amount as computed under chapter 404A for rehabilitating eligible property. Any credit in excess of the tax liability shall be refunded or credited to the following year, as provided in section 404A.4, subsection 3.

Sec. 7. Section 432.12A, subsection 1, Code 2007, is amended to read as follows:

1. The tax imposed under this chapter shall be reduced by a historic preservation and cultural and entertainment district tax credit equal to the amount as computed under chapter 404A for rehabilitating eligible property. Any credit in excess of the tax liability shall be refunded or credited to the following year, as provided in section 404A.4, subsection 3.

Sec. 8. TAX CREDIT CERTIFICATES -- RESERVATION DATES.

1. The department of cultural affairs shall reissue historic preservation and cultural and entertainment district tax credit certificates held by the original tax credit

certificate recipient. Tax credit certificates with a redemption date in the year 2010 shall be reissued with a redemption date of 2009. Tax credit certificates with a redemption date in the year 2011 shall be reissued with a redemption date of 2010. Tax credit certificates with a redemption date in the years 2012, 2013, 2014, 2015, 2016, or 2017 shall be issued with a redemption date of 2011. Tax credit certificates that have been sold since issuance shall not be reissued pursuant to this subsection.


2. In the order of original reservation dates, the department of cultural affairs shall modify the reservation date of reserved historic preservation and cultural and entertainment district tax credits based on the availability of additional moneys for tax credits under this bill.

Sec. 9. APPLICABILITY. This Act applies to historic preservation and cultural and entertainment district tax credits applied for or reserved prior to July 1, 2007.



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JOHN P. KIBBIE  
President of the Senate



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PATRICK J. MURPHY  
Speaker of the House

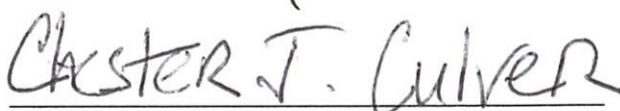
I hereby certify that this bill originated in the Senate and is known as Senate File 566, Eighty-second General Assembly.



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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved May 21<sup>st</sup>, 2007



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CHESTER J. CULVER  
Governor