

In Ways & Means 4/23, No Pass 4/24

APR 17 1992

WAYS & MEANS CALENDAR

HOUSE FILE 2478

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 737)

Passed House, Date 4/21/92 (p 1705) Passed Senate, Date 4/27/92 (p 1643)

Vote: Ayes 98 Nays 0 Vote: Ayes 44 Nays 0

Approved May 4, 1992

A BILL FOR

1 An Act relating to the repeal of the seed capital tax credit and
2 providing an effective date.

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

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HF 2478

1 Section 1. Section 422.33, subsection 8, Code Supplement
2 1991, is amended by striking the subsection.

3 Sec. 2. Section 422.11C, Code Supplement 1991, is
4 repealed.

5 Sec. 3. 1990 Iowa Acts, chapter 1196, sections 8 and 9,
6 are repealed.

7 Sec. 4. Sections 1 and 2 of this Act take effect January
8 1, 1996, for tax years beginning on or after that date and all
9 credits allowed prior to that date shall continue until their
10 expiration.

11 EXPLANATION

12 This bill extends the sunset of the seed capital tax credit
13 to January 1, 1996. Currently, the seed capital tax credit is
14 repealed January 1, 1993, for individual investors and January
15 1, 1994, for corporate investors.

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**HOUSE FILE 2478
FISCAL NOTE**

A fiscal note for House File 2478 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2478 extends the sunset of the Seed Capital Tax Credit to January 1, 1996. Currently, the Seed Capital Tax Credit is repealed January 1, 1993, for individual investors and January 1, 1994, for corporate investors. The credit was implemented to enhance capital availability for small and emerging companies in Iowa.

Fiscal Effect:

If currently effective filers raise the maximum amount, the cost would be \$380,000 in lost revenue to the General Fund in FY 1994. Based on trends in filings, pre-filing conferences, and inquiries, the credit is expected to experience moderate growth in the future. The first full year of use of the credit will be reflected in tax filings made in 1993 for securities bought in 1992, which means that there would be no impact on the FY 1993 budget.

The Program should have no cost effect in the second and third year due to the positive impact on tax generation due to active investments and existing multipliers.

SOURCE: Insurance Division of the Department of Commerce

(LSB 6302hv, JKH)

FILED APRIL 20, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

HSB 737

New WAYS AND MEANS

HOUSE FILE 2478

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON GRONINGA)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the repeal of the seed capital tax credit and
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3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SUB COMMITTEE ASSIGNMENTS

CHAIR *Groninga*
COM. *W.D.M.*
4-6-92

737

S.F. _____ H.F. _____

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HOUSE FILE 2478

AN ACT

RELATING TO THE REPEAL OF THE SEED CAPITAL TAX CREDIT AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 422.33, subsection 8, Code Supplement 1991, is amended by striking the subsection.

Sec. 2. Section 422.11C, Code Supplement 1991, is repealed.

Sec. 3. 1990 Iowa Acts, chapter 1196, sections 8 and 9, are repealed.

Sec. 4. Sections 1 and 2 of this Act take effect January 1, 1996, for tax years beginning on or after that date and all

ROBERT C. ARNOULD
Speaker of the House

MICHAEL E. GRONSTAL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2478, Seventy-fourth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved *May 4*, 1992

TERRY E. BRANSTAD
Governor