

House Study Bill 54

Bill Text

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1 1 Section 1. NEW SECTION. 15.333A INSURANCE PREMIUM TAX
1 2 CREDIT.
1 3 An eligible business may claim an insurance premium tax
1 4 credit up to a maximum of ten percent of the new investment
1 5 directly related to new jobs created by the location or
1 6 expansion of an eligible business under the program. Any
1 7 credit in excess of the tax liability for the tax year may be
1 8 credited to the tax liability for the following seven years or
1 9 until depleted, whichever occurs earlier.
1 10 For purposes of this section, "new investment directly
1 11 related to new jobs created by the location or expansion of an
1 12 eligible business under the program" means the cost of
1 13 machinery and equipment, as defined in section 427A.1,
1 14 subsection 1, paragraphs "e" and "j", purchased for use in the
1 15 operation of the eligible business, the purchase price of
1 16 which has been depreciated in accordance with generally
1 17 accepted accounting principles, and the cost of improvements
1 18 made to real property which is used in the operation of the
1 19 eligible business and which receives a partial property tax
1 20 exemption for the actual value added under section 15.332.
1 21 EXPLANATION
1 22 This bill authorizes an eligible business under the new
1 23 jobs and income program to claim an insurance premium tax
1 24 credit. A business may claim a credit of up to a maximum of
1 25 10 percent of the new investment directly related to new jobs
1 26 created by the location or expansion of an eligible business
1 27 under the program. If a business is eligible for a tax credit
1 28 which is in excess of the tax liability for the tax year, then
1 29 the business may be credited for the tax liability for the
1 30 following seven years or until the credit is depleted,
1 31 whichever occurs earlier.
1 32 This bill also defines the phrase "new investment directly
1 33 related to new jobs created by the location or expansion of an
1 34 eligible business under the program" as the cost of machinery
1 35 and equipment, the purchase price of which has been
2 1 depreciated, and the cost of improvements made to real
2 2 property which is used in the operation of the business and
2 3 which receives a partial value-added property tax exemption.
2 4 LSB 1324DP 77
2 5 tm/jw/5