

Senate Study Bill 3016

Bill Text

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1 1 Section 1. Section 15.333, subsection 1, Code Supplement
1 2 1999, is amended to read as follows:
1 3 1. An eligible business may claim a corporate tax credit
1 4 up to a maximum of ten percent of the new investment which is
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. Subject to prior
1 10 approval by the department of economic development in
1 11 consultation with the department of revenue and finance, an
1 12 eligible business whose project primarily involves the
1 13 production of value-added agricultural products may elect to
1 14 have any tax credit in excess of the tax liability of the
1 15 taxpayer for the tax year refunded with interest computed
1 16 pursuant to section 422.25. If the business is a partnership,
1 17 subchapter S corporation, limited liability company, or estate
1 18 or trust electing to have the income taxed directly to the
1 19 individual, an individual may claim the tax credit allowed.
1 20 The amount claimed by the individual shall be based upon the
1 21 pro rata share of the individual's earnings of the
1 22 partnership, subchapter S corporation, limited liability
1 23 company, or estate or trust. For purposes of this section,
1 24 "new investment directly related to new jobs created by the
1 25 location or expansion of an eligible business under the
1 26 program" means the cost of machinery and equipment, as defined
1 27 in section 427A.1, subsection 1, paragraphs "e" and "j",
1 28 purchased for use in the operation of the eligible business,
1 29 the purchase price of which has been depreciated in accordance
1 30 with generally accepted accounting principles, and the cost of
1 31 improvements made to real property which is used in the
1 32 operation of the eligible business and which receives a
1 33 partial property tax exemption for the actual value added
1 34 under section 15.332.

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EXPLANATION

2 1 This bill amends the investment tax credit under the new
2 2 jobs and income program, which allows an eligible business to
2 3 claim a corporate tax credit up to a maximum of 10 percent of
2 4 the new investment which is directly related to new jobs
2 5 created by the location or expansion of an eligible business
2 6 under the program. The investment tax credit is also
2 7 available to eligible businesses in the enterprise zone
2 8 program. The bill provides that an eligible business whose
2 9 project primarily involves the production of value-added
2 10 agricultural projects may elect to have any investment tax
2 11 credit in excess of the tax liability of the taxpayer refunded
2 12 with interest. The bill provides that the refund must receive
2 13 prior approval from the department of economic development in
2 14 consultation with the department of revenue and finance.

2 15 LSB 5327DP 78

2 16 tm/cls/14.1