

Senate Study Bill 3033

Bill Text

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1 1 Section 1. Section [15.333A](#), subsection 2, Code 1999, is
1 2 amended by striking the subsection.
1 3 Sec. 2. Section [422.11A](#), Code 1999, is amended to read as
1 4 follows:
1 5 422.11A NEW JOBS TAX CREDIT.
1 6 The taxes imposed under this division, less the credits
1 7 allowed under sections 422.12 and 422.12B, shall be reduced by
1 8 a new jobs tax credit. An industry which has entered into an
1 9 agreement under chapter 260E and which has increased its base
1 10 employment level by at least ten percent within the time set
1 11 in the agreement or, in the case of an industry without a base
1 12 employment level, adds new jobs within the time set in the
1 13 agreement is entitled to this new jobs tax credit for the tax
1 14 year selected by the industry. In determining if the industry
1 15 has increased its base employment level by ten percent or
1 16 added new jobs, only those new jobs directly resulting from
1 17 the project covered by the agreement and those directly
1 18 related to those new jobs shall be counted. The amount of
1 19 this credit is equal to the product of six percent of the
1 20 taxable wages upon which an employer is required to contribute
1 21 to the state unemployment compensation fund, as defined in
1 22 section 96.19, subsection 37, times the number of new jobs
1 23 existing in the tax year that directly result from the project
1 24 covered by the agreement or new jobs that directly result from
1 25 those new jobs. The tax year chosen by the industry shall
1 26 either begin or end during the period beginning with the date
1 27 of the agreement and ending with the date by which the project
1 28 is to be completed under the agreement. An individual may
1 29 claim the new jobs tax credit allowed a partnership,
1 30 subchapter S corporation, or estate or trust electing to have
1 31 the income taxed directly to the individual. The amount
1 32 claimed by the individual shall be based upon the pro rata
1 33 share of the individual's earnings of the partnership,
1 34 subchapter S corporation, or estate or trust. Any credit in
1 35 excess of the tax liability for the tax year may be credited
2 1 to the tax liability for the following ten tax years or until
2 2 depleted, whichever is the earlier. For purposes of this
2 3 section, "agreement", "industry", "new job" and "project" mean
2 4 the same as defined in section 260E.2 and "base employment
2 5 level" means the number of full-time jobs an industry employs
2 6 at the plant site which is covered by an agreement under
2 7 chapter 260E on the date of that agreement. If the tax credit
2 8 authorized under this section is claimed, the tax credit
2 9 authorized under section 432.15 shall not be claimed or
2 10 allowed for any tax year during the term of the agreement.
2 11 Sec. 3. NEW SECTION. 432.15 NEW JOBS TRAINING PROGRAM
2 12 PREMIUM TAX CREDIT.
2 13 An insurance company which has entered into an agreement
2 14 under chapter 260E and which has increased its base employment
2 15 level by at least ten percent within the time set in the
2 16 agreement or, in the case of an insurance company without a
2 17 base employment level, adds new jobs within the time set in
2 18 the agreement is entitled to a new jobs insurance premium tax
2 19 credit for the tax year selected by the insurance company. In
2 20 determining if the insurance company has increased its base
2 21 employment level by ten percent or added new jobs, only the

2 22 new jobs directly resulting from the project covered by the
2 23 agreement and new jobs directly related to those new jobs
2 24 shall be counted. The amount of the credit is equal to the
2 25 product of six percent of the taxable wages upon which an
2 26 employer is required to contribute to the state unemployment
2 27 compensation fund, as defined in section 96.19, subsection 37,
2 28 times the number of new jobs existing in the tax year that
2 29 directly result from the project covered by the agreement or
2 30 new jobs that directly result from those new jobs. The tax
2 31 year chosen by the insurance company shall either begin or end
2 32 during the period beginning with the date by which the project
2 33 is to be completed under the agreement. Any credit in excess
2 34 of the premium tax liability for the tax year may be credited
2 35 to the tax liability for the following ten tax years or until
3 1 depleted, whichever occurs earlier. For purposes of this
3 2 subsection, "agreement", "new job", and "project" mean the
3 3 same as defined in section 260E.2 and "base employment level"
3 4 means the number of full-time jobs a business employs at the
3 5 insurance company site which is covered by an agreement under
3 6 chapter 260E on the date of that agreement. If the tax credit
3 7 authorized under this section is claimed, the tax credit
3 8 authorized under section 422.11A shall not be claimed or
3 9 allowed for any tax year during the term of the agreement.

3 10 EXPLANATION

3 11 This bill strikes the second subsection of Code section
3 12 15.333A and moves it to Code chapter 432. The moved
3 13 subsection relates to one of two insurance premium tax credits
3 14 under the new jobs and income program. The bill amends the
3 15 insurance premium tax credit to make it available to an
3 16 insurance company, rather than limiting it to eligible
3 17 businesses as defined under the new jobs and income program.

3 18 The bill amends the insurance premium tax credit to allow
3 19 the credit to be carried over for a period of 10 years or
3 20 until depleted, whichever occurs earlier, rather than seven
3 21 years as provided under the new jobs and income program.

3 22 The bill provides that if the insurance premium tax credit
3 23 is claimed, the new jobs tax credit authorized under Code
3 24 section 422.11A shall not be claimed or allowed for any tax
3 25 year during the term of the agreement, with the reverse also
3 26 applying.

3 27 LSB 5329DP 78

3 28 tm/cf/24.1