

JAN 15 2002
WAYS AND MEANS

REPRINTED

HOUSE FILE 2035

BY GRUNDBERG, HATCH, HAHN, DOTZLER,
TYRRELL, D. TAYLOR, SIEVERS, BUKTA,
VAN FOSSEN, LARKIN, DIX, STEVENS,
EICHHORN, ATTEBERRY, BOAL, WINCKLER,
CORMACK, OSTERHAUS, HOFFMAN, FREVERT,
ELGIN, SMITH, JONES, MILLAGE, WARNSTADT,
TYMESON, MAY, BAUDLER, PETERSEN, BROERS,
FORD, BODDICKER, FALLON, FINCH, MASCHER,
DOLECHECK, FOEGE, METCALF, RICHARDSON,
RAYHONS, QUIRK, JENKINS, MURPHY, JACOBS,
CONNORS, JOHNSON, SCHRADER, HEATON,
and MYERS

Passed House, Date 2/12/02 Passed Senate, Date 2/15/02
Vote: Ayes 97 Nays 0 Vote: Ayes 44 Nays 0
Approved Jan. 21, 2002

HF 2035

A BILL FOR

1 An Act relating to the state historic property rehabilitation tax
2 credit and including effective and retroactive applicability
3 date provisions.

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

5
6
7
8
9
10
11
12
13
14

1 Section 1. Section 404A.1, subsection 1, Code 2001, is
2 amended to read as follows:

3 1. A property rehabilitation tax credit, subject to the
4 availability of the credit, is granted against the income tax
5 imposed under chapter 422, division II or division III, or
6 chapter 432, for the rehabilitation of eligible property
7 located in this state as provided in this chapter. Tax
8 credits in excess of tax liabilities shall be refunded as
9 provided in section 404A.4, subsection 3.

10 Sec. 2. Section 404A.2, unnumbered paragraph 3, Code 2001,
11 is amended by striking the unnumbered paragraph and inserting
12 in lieu thereof the following:

13 For purposes of individual and corporate income taxes, the
14 increase in the basis of the rehabilitated property that would
15 otherwise result from the qualified rehabilitation costs shall
16 be reduced by the amount of the credit computed under this
17 chapter.

18 Sec. 3. NEW SECTION. 432.12A PROPERTY REHABILITATION TAX
19 CREDIT.

20 1. The tax imposed under this chapter shall be reduced by
21 a property rehabilitation tax credit equal to the amount as
22 computed under chapter 404A for rehabilitating eligible
23 property. Any credit in excess of the tax liability shall be
24 refunded as provided in section 404A.4, subsection 3.

25 2. For purposes of this section, "eligible property" means
26 the same as used in section 404A.1.

27 Sec. 4. EFFECTIVE AND APPLICABILITY DATE. This Act, being
28 deemed of immediate importance, takes effect upon enactment
29 and applies retroactively to January 1, 2001, for tax years
30 beginning on or after that date.

31 EXPLANATION

32 This bill provides that the historic property
33 rehabilitation tax credit may be applied against the insurance
34 premiums tax. Under present law, the tax credit is only
35 available for purposes of the individual and corporate income

1 taxes. In addition, the bill provides that for purposes of
2 individual and corporate income taxes, the increase in the
3 basis of the rehabilitated property that would otherwise
4 result from the rehabilitation costs is to be reduced by the
5 amount of the credit. Present law prohibits the deduction of
6 all of the rehabilitation expenses.

7 The bill takes effect upon enactment and applies
8 retroactively to January 1, 2001, for tax years beginning on
9 or after that date.

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE 2035

H-8033

- 1 Amend House File 2035 as follows:
- 2 1. Page 1, line 5, by striking the words and
- 3 figure "or division III" and inserting the following:
- 4 ", or division III, or V".
- 5 2. Page 1, line 13, by inserting after the word
- 6 "taxes" the following: "and the franchise tax".
- 7 3. Page 1, by inserting after line 17 the
- 8 following:
- 9 "Sec. ____ . Section 422.60, Code 2001, is amended
- 10 by adding the following new subsection:
- 11 NEW SUBSECTION. 4. a. The taxes imposed under
- 12 this division shall be reduced by a property
- 13 rehabilitation tax credit equal to the amount as
- 14 computed under chapter 404A for rehabilitating
- 15 eligible property. Any credit in excess of the tax
- 16 liability shall be refunded as provided in section
- 17 404A.4, subsection 3.
- 18 b. For purposes of this subsection, "eligible
- 19 property" means the same as used in section 404A.1."
- 20 4. By renumbering as necessary.

By COMMITTEE ON WAYS AND MEANS
VAN FOSSEN of Scott, Chairperson

H-8033 FILED FEBRUARY 5, 2002

Adopted 2/12/02

3
5-2/14/02 Do Jan

HOUSE FILE 2035

BY GRUNDBERG, HATCH, HAHN, DOTZLER,
TYRRELL, D. TAYLOR, SIEVERS, BUKTA,
VAN FOSSEN, LARKIN, DIX, STEVENS,
EICHHORN, ATTEBERRY, BOAL, WINCKLER,
CORMACK, OSTERHAUS, HOFFMAN, FREVERT,
ELGIN, SMITH, JONES, MILLAGE, WARNSTADT,
TYMESON, MAY, BAUDLER, PETERSEN, BROERS,
FORD, BODDICKER, FALLON, FINCH, MASCHER,
DOLECHECK, FOEGE, METCALF, RICHARDSON,
RAYHONS, QUIRK, JENKINS, MURPHY, JACOBS,
CONNORS, JOHNSON, SCHRADER, HEATON,
and MYERS

(As Amended and Passed by the House February 12, 2002)

Passed House, Date _____ Passed Senate, Date ^(p. 300) 2/15/02
Vote: Ayes _____ Nays _____ Vote: Ayes 44 Nays 0
Approved Feb. 21, 2002

A BILL FOR

1 An Act relating to the state historic property rehabilitation tax
2 credit and including effective and retroactive applicability
3 date provisions.

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

5
6
7
8
9
10
11
12

House Amendments _____

1 Section 1. Section 404A.1, subsection 1, Code 2001, is
2 amended to read as follows:

3 1. A property rehabilitation tax credit, subject to the
4 availability of the credit, is granted against the income tax
5 imposed under chapter 422, division II , or-division III, or
6 V, or chapter 432, for the rehabilitation of eligible property
7 located in this state as provided in this chapter. Tax
8 credits in excess of tax liabilities shall be refunded as
9 provided in section 404A.4, subsection 3.

10 Sec. 2. Section 404A.2, unnumbered paragraph 3, Code 2001,
11 is amended by striking the unnumbered paragraph and inserting
12 in lieu thereof the following:

13 For purposes of individual and corporate income taxes and
14 the franchise tax, the increase in the basis of the
15 rehabilitated property that would otherwise result from the
16 qualified rehabilitation costs shall be reduced by the amount
17 of the credit computed under this chapter.

18 Sec. 3. Section 422.60, Code 2001, is amended by adding
19 the following new subsection:

20 NEW SUBSECTION. 4. a. The taxes imposed under this
21 division shall be reduced by a property rehabilitation tax
22 credit equal to the amount as computed under chapter 404A for
23 rehabilitating eligible property. Any credit in excess of the
24 tax liability shall be refunded as provided in section 404A.4,
25 subsection 3.

26 b. For purposes of this subsection, "eligible property"
27 means the same as used in section 404A.1.

28 Sec. 4. NEW SECTION. 432.12A PROPERTY REHABILITATION TAX
29 CREDIT.

30 1. The tax imposed under this chapter shall be reduced by
31 a property rehabilitation tax credit equal to the amount as
32 computed under chapter 404A for rehabilitating eligible
33 property. Any credit in excess of the tax liability shall be
34 refunded as provided in section 404A.4, subsection 3.

35 2. For purposes of this section, "eligible property" means

1 the same as used in section 404A.1.

2 Sec. 5. EFFECTIVE AND APPLICABILITY DATE. This Act, being
3 deemed of immediate importance, takes effect upon enactment
4 and applies retroactively to January 1, 2001, for tax years
5 beginning on or after that date.

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

AN ACT
RELATING TO THE STATE HISTORIC PROPERTY REHABILITATION TAX
CREDIT AND INCLUDING EFFECTIVE AND RETROACTIVE APPLICABILITY
DATE PROVISIONS.

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

Section 1. Section 404A.1, subsection 1, Code 2001, is amended to read as follows:

1. A property rehabilitation tax credit, subject to the availability of the credit, is granted against the income tax imposed under chapter 422, division II ~~or division 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 as provided in section 404A.4, subsection 3.

Sec. 2. Section 404A.2, unnumbered paragraph 3, Code 2001, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

For purposes of individual and corporate income taxes and the franchise tax, the increase in the basis of the rehabilitated property that would otherwise result from the qualified rehabilitation costs shall be reduced by the amount of the credit computed under this chapter.

Sec. 3. Section 422.60, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 4. a. The taxes imposed under this division shall be reduced by a property rehabilitation 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 as provided in section 404A.4, subsection 3.

b. For purposes of this subsection, "eligible property" means the same as used in section 404A.1.

Sec. 4. NEW SECTION. 432.12A PROPERTY REHABILITATION TAX CREDIT.

1. The tax imposed under this chapter shall be reduced by a property rehabilitation 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 as provided in section 404A.4, subsection 3.

2. For purposes of this section, "eligible property" means the same as used in section 404A.1.

Sec. 5. EFFECTIVE AND APPLICABILITY DATE. This Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2001, for tax years beginning on or after that date.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2035, Seventy-ninth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved 2/21, 2002

THOMAS J. VILSACK
Governor

H. F. 2035