

# House Study Bill 550

## Bill Text

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1 1 Section 1. NEW SECTION. 422.11F INVESTMENT TAX CREDITS  
1 2 RESTRICTED CONFINEMENT FEEDING OPERATIONS.  
1 3 1. As used in this section, unless the context otherwise  
1 4 requires:  
1 5 a. "Animal feeding operation structure" means the same as  
1 6 defined in section 455B.161.  
1 7 b. "Business association" means an entity organized under  
1 8 the laws of this state or another jurisdiction that does  
1 9 business in this state on a for-profit or not-for-profit  
1 10 basis, including but not limited to a corporation, cooperative  
1 11 association, joint stock company, mutual fund, association,  
1 12 limited partnership, limited liability partnership, limited  
1 13 liability company, or business trust.  
1 14 c. "Confinement feeding operation" means the same as  
1 15 defined in section 455B.161 that is located in this state.  
1 16 d. "Investment company" means a business association  
1 17 organized for purposes of making capital investments in  
1 18 businesses.  
1 19 2. Except as expressly provided otherwise by another  
1 20 statutory provision referring specifically to this section, a  
1 21 provision that allows a taxpayer to claim a tax credit under  
1 22 this division based on the taxpayer's investment shall not  
1 23 apply to an investment that is used for financing any of the  
1 24 following:  
1 25 a. A confinement feeding operation, including the  
1 26 construction or maintenance of an animal feeding operation  
1 27 structure that is part of the confinement feeding operation.  
1 28 b. The acquisition or maintenance of an animal that is  
1 29 kept by a confinement feeding operation.  
1 30 3. For purposes of this section, a taxpayer finances a  
1 31 confinement feeding operation or the acquisition or  
1 32 maintenance of an animal, regardless of whether the taxpayer  
1 33 makes the investment directly, the taxpayer makes the  
1 34 investment through another person or a chain of persons for  
1 35 the purpose of financing a confinement feeding operation or  
2 1 the acquisition or maintenance of an animal, or the taxpayer  
2 2 makes an investment in an investment company that finances the  
2 3 confinement feeding operation or the acquisition or  
2 4 maintenance of an animal.  
2 5 Sec. 2. NEW SECTION. 422.41A INVESTMENT TAX CREDITS  
2 6 RESTRICTED CONFINEMENT FEEDING OPERATIONS.  
2 7 Except as expressly provided otherwise by another statutory  
2 8 provision referring specifically to this section, a provision  
2 9 that allows a taxpayer to claim a tax credit under this  
2 10 division based on the taxpayer's investment shall not apply to  
2 11 an investment that is used for financing a confinement feeding  
2 12 operation or financing the acquisition or maintenance of an  
2 13 animal that is kept by a confinement feeding operation, in the  
2 14 same manner as provided in section 422.11F.  
2 15 Sec. 3. NEW SECTION. 422.64 INVESTMENT TAX CREDITS  
2 16 RESTRICTED CONFINEMENT FEEDING OPERATIONS.  
2 17 Except as expressly provided otherwise by another statutory  
2 18 provision referring specifically to this section, a provision  
2 19 that allows a taxpayer to claim a tax credit under this  
2 20 division based on the taxpayer's investment shall not apply to  
2 21 an investment that is used for financing a confinement feeding

2 22 operation or financing of the acquisition or maintenance of an  
2 23 animal that is kept by a confinement feeding operation, in the  
2 24 same manner as provided in section 422.11F.

2 25 Sec. 4. NEW SECTION. 432.11A INVESTMENT TAX CREDITS  
2 26 RESTRICTED CONFINEMENT FEEDING OPERATIONS.

2 27 Except as expressly provided otherwise by another statutory  
2 28 provision referring specifically to this section, a provision  
2 29 that allows a taxpayer to claim a tax credit against the  
2 30 premium tax under this chapter based on the taxpayer's  
2 31 investment shall not apply to an investment that is used for  
2 32 financing a confinement feeding operation or financing the  
2 33 acquisition or maintenance of an animal that is kept by a  
2 34 confinement feeding operation, in the same manner as provided  
2 35 in section 422.11F.

3 1 Sec. 5. NEW SECTION. 533.24A INVESTMENT TAX CREDITS  
3 2 RESTRICTED CONFINEMENT FEEDING OPERATIONS.

3 3 Except as expressly provided otherwise by another statutory  
3 4 provision referring specifically to this section, a provision  
3 5 that allows a taxpayer to claim a tax credit against the  
3 6 moneys and credits tax under section 533.24 based on the  
3 7 taxpayer's investment shall not apply to an investment that is  
3 8 used for financing a confinement feeding operation or  
3 9 financing the acquisition or maintenance of an animal that is  
3 10 kept by a confinement feeding operation, in the same manner as  
3 11 provided in section 422.11F.

3 12 EXPLANATION

3 13 This bill amends provisions in Code chapters 422 (and  
3 14 specifically divisions II, III, and V of that chapter), 432,  
3 15 and 533. In Code chapter 422, division II provides for  
3 16 taxation of personal income, division III provides for  
3 17 taxation of businesses, and division V provides for taxation  
3 18 of financial institutions. Chapter 432 provides for a premium  
3 19 tax on insurance companies. Chapter 533 provides for a moneys  
3 20 and credits tax on credit unions.

3 21 The bill provides a common restriction for each of these  
3 22 chapters. Specifically, the bill provides that unless  
3 23 expressly provided otherwise by another statutory provision, a  
3 24 provision that allows a taxpayer to claim a tax credit shall  
3 25 not apply to an investment that is used for the financing of a  
3 26 confinement feeding operation, including the construction or  
3 27 maintenance of an animal feeding operation structure that is  
3 28 part of the confinement feeding operation, or the acquisition  
3 29 or maintenance of an animal that is kept by a confinement  
3 30 feeding operation.

3 31 The bill provides that a taxpayer finances a confinement  
3 32 feeding operation or the acquisition or maintenance of an  
3 33 animal, regardless of whether the taxpayer makes the  
3 34 investment directly, the taxpayer makes the investment through  
3 35 another person or a chain of persons, or the taxpayer makes an  
4 1 investment through an investment company.

4 2 LSB 6546YC 79

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