

Withdrawn

MAR 15 2004

4/13/04

ECONOMIC GROWTH

HOUSE FILE 2540  
BY GIPP

(COMPANION TO LSB 6928XS  
BY IVERSON)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to economic development incentives under the new  
2 jobs and income program, the new capital investment program,  
3 and the enterprise zone program and providing an effective  
4 date.

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

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HF 2540

1 Section 1. Section 15.330, subsection 1, unnumbered  
2 paragraph 1, Code 2003, is amended to read as follows:

3 If the business or group of businesses has not met more  
4 than ninety percent of the job creation requirement in section  
5 15.329, subsection 1, paragraph "f", it shall pay a percentage  
6 of the ~~incentive incentives~~ received under ~~section-15-334, or~~  
7 ~~if-the-business-or-group-of-businesses-does-not-receive-the~~  
8 ~~incentive-under-section-15-334, then under section-15-333~~ as  
9 follows:

10 Sec. 2. Section 15.331A, Code Supplement 2003, is amended  
11 to read as follows:

12 15.331A SALES, SERVICES, AND USE TAX REFUND -- CONTRACTOR  
13 OR SUBCONTRACTOR.

14 The eligible business or a supporting business shall be  
15 entitled to a refund of the taxes paid under chapters 422 and  
16 423 for gas, electricity, water, or sewer utility services,  
17 goods, wares, or merchandise, or on services rendered,  
18 furnished, or performed to or for a contractor or  
19 subcontractor and used in the fulfillment of a written  
20 contract relating to the construction or equipping of a  
21 facility within the economic development area of the eligible  
22 business or a supporting business. Taxes attributable to  
23 intangible property and furniture and furnishings shall not be  
24 refunded.

25 For purposes of this section, a third-party developer  
26 constructing or renovating and leasing a facility to an  
27 eligible business shall receive the refund for such taxes paid  
28 as authorized under this section in lieu of the receipt of the  
29 refund by the eligible business, provided the third-party  
30 developer is a party to the agreement described in section  
31 15.330.

32 To receive the refund a claim shall be filed by the  
33 eligible business, third-party developer, or a supporting  
34 business with the department of revenue as follows:

35 1. The contractor or subcontractor shall state under oath,

1 on forms provided by the department, the amount of the sales  
2 of goods, wares, or merchandise or services rendered,  
3 furnished, or performed including water, sewer, gas, and  
4 electric utility services for use in the economic development  
5 area upon which sales or use tax has been paid prior to the  
6 project completion, and shall file the forms with the eligible  
7 business, third-party developer, or supporting business before  
8 final settlement is made.

9 2. The eligible business, third-party developer, or a  
10 supporting business shall, not more than one year after  
11 project completion, make application to the department for any  
12 refund of the amount of the taxes paid pursuant to chapter 422  
13 or 423 upon any goods, wares, or merchandise, or services  
14 rendered, furnished, or performed, including water, sewer,  
15 gas, and electric utility services. The application shall be  
16 made in the manner and upon forms to be provided by the  
17 department, and the department shall audit the claim and, if  
18 approved, issue a warrant to the eligible business, third-  
19 party developer, or supporting business in the amount of the  
20 sales or use tax which has been paid to the state of Iowa  
21 under a contract. A claim filed by the eligible business,  
22 third-party developer, or a supporting business in accordance  
23 with this section shall not be denied by reason of a  
24 limitation provision set forth in chapter 421, 422, or 423.

25 3. A contractor or subcontractor who willfully makes a  
26 false report of tax paid under the provisions of this section  
27 is guilty of a simple misdemeanor and in addition is liable  
28 for the payment of the tax and any applicable penalty and  
29 interest.

30 Sec. 3. Section 15.333, subsection 1, Code Supplement  
31 2003, is amended to read as follows:

32 1. An eligible business may claim a corporate tax credit  
33 up to a maximum of ten percent of the new investment which is  
34 directly related to new jobs created by the location or  
35 expansion of an eligible business under the program. Any

1 credit in excess of the tax liability for the tax year may be  
2 credited to the tax liability for the following seven years or  
3 until depleted, whichever occurs earlier. Subject to prior  
4 approval by the department of economic development in  
5 consultation with the department of revenue, an eligible  
6 business whose project primarily involves the production of  
7 value-added agricultural products may elect to receive a  
8 refund of all or a portion of an unused tax credit. For  
9 purposes of this section, an eligible business includes a  
10 cooperative described in section 521 of the Internal Revenue  
11 Code which is not required to file an Iowa corporate income  
12 tax return. The refund may be used against a tax liability  
13 imposed under chapter 422, division II, III, or V. If the  
14 business is a partnership, S corporation, limited liability  
15 company, cooperative organized under chapter 501 and filing as  
16 a partnership for federal tax purposes, or estate or trust  
17 electing to have the income taxed directly to the individual,  
18 an individual may claim the tax credit allowed. The amount  
19 claimed by the individual shall be based upon the pro rata  
20 share of the individual's earnings of the partnership, S  
21 corporation, limited liability company, cooperative organized  
22 under chapter 501 and filing as a partnership for federal tax  
23 purposes, or estate or trust.

24 1A. For purposes of this section, "new investment directly  
25 related to new jobs created by the location or expansion of an  
26 eligible business under the program" means the any of the  
27 following:

28 a. The cost of machinery and equipment, as defined in  
29 section 427A.1, subsection 1, paragraphs "e" and "j",  
30 purchased for use in the operation of the eligible business,  
31 the purchase price of which has been depreciated in accordance  
32 with generally accepted accounting principles, and the cost of  
33 improvements made to real property which is used in the  
34 operation of the eligible business.

35 b. The annual base rent paid to a third-party developer by

1 an eligible business for a period not to exceed ten years,  
2 provided the cumulative cost of the base rent payments for  
3 that period does not exceed the cost of the land and the  
4 third-party developer's costs to build or renovate the  
5 building for the eligible business. The eligible business  
6 shall enter into a lease agreement with the third-party  
7 developer for a minimum of ten years.

8 Sec. 4. Section 15.333A, subsection 1, Code 2003, is  
9 amended to read as follows:

10 1. An eligible business may claim an insurance premium tax  
11 credit up to a maximum of ten percent of the new investment  
12 directly related to new jobs created by the location or  
13 expansion of an eligible business under the program. Any  
14 credit in excess of the tax liability for the tax year may be  
15 credited to the tax liability for the following seven years or  
16 until depleted, whichever occurs earlier.

17 ~~For purposes of this section, "new investment directly~~  
18 ~~related to new jobs created by the location or expansion of an~~  
19 ~~eligible business under the program" means the cost of~~  
20 ~~machinery and equipment, as defined in section 427A.17~~  
21 ~~subsection 17, paragraphs "e" and "j", purchased for use in the~~  
22 ~~operation of the eligible business, the purchase price of~~  
23 ~~which has been depreciated in accordance with generally~~  
24 ~~accepted accounting principles, and the cost of improvements~~  
25 ~~made to real property which is used in the operation of the~~  
26 ~~eligible business.~~

27 For purposes of this section, the purchase price of real  
28 property and any buildings and structures located on the real  
29 property is considered a new investment in the location or  
30 expansion of an eligible business. However, if within five  
31 years of purchase, the eligible business sells, disposes of,  
32 razes, or otherwise renders unusable all or a part of the  
33 land, buildings, or other existing structures for which an  
34 insurance premium tax credit was claimed under this section,  
35 the insurance premium tax liability of the eligible business

1 for the year in which all or part of the property is sold,  
2 disposed of, razed, or otherwise rendered unusable shall be  
3 increased by one of the following amounts:

4 a. One hundred percent of the tax credit claimed under  
5 this section if the property ceases to be eligible for the tax  
6 credit within one year after being placed in service.

7 b. Eighty percent of the tax credit claimed under this  
8 section if the property ceases to be eligible for the tax  
9 credit within two years after being placed in service.

10 c. Sixty percent of the tax credit claimed under this  
11 section if the property ceases to be eligible for the tax  
12 credit within three years after being placed in service.

13 d. Forty percent of the tax credit claimed under this  
14 section if the property ceases to be eligible for the tax  
15 credit within four years after being placed in service.

16 e. Twenty percent of the tax credit claimed under this  
17 section if the property ceases to be eligible for the tax  
18 credit within five years after being placed in service.

19 1A. For purposes of this section, "new investment directly  
20 related to new jobs created by the location or expansion of an  
21 eligible business under the program" means any of the  
22 following:

23 a. The cost of machinery and equipment, as defined in  
24 section 427A.1, subsection 1, paragraphs "e" and "j",  
25 purchased for use in the operation of the eligible business,  
26 the purchase price of which has been depreciated in accordance  
27 with generally accepted accounting principles, and the cost of  
28 improvements made to real property which is used in the  
29 operation of the eligible business.

30 b. The annual base rent paid to a third-party developer by  
31 an eligible business for a period not to exceed ten years,  
32 provided the cumulative cost of the base rent payments for  
33 that period does not exceed the cost of the land and the  
34 third-party developer's costs to build or renovate the  
35 building for the eligible business. The eligible business

1 shall enter into a lease agreement with the third-party  
2 developer for a minimum of ten years.

3 Sec. 5. Section 15.385, subsection 3, paragraph b, Code  
4 Supplement 2003, is amended to read as follows:

5 b. For purposes of this subsection, "new investment  
6 directly related to new jobs created by the location or  
7 expansion of an eligible business under the program" means the  
8 cost of machinery and equipment, as defined in section 427A.1,  
9 subsection 1, paragraphs "e" and "j", purchased for use in the  
10 operation of the eligible business, the purchase price of  
11 which has been depreciated in accordance with generally  
12 accepted accounting principles, the purchase price of real  
13 property and any buildings and structures located on the real  
14 property, and the cost of improvements made to real property  
15 which is used in the operation of the eligible business. "New  
16 investment directly related to new jobs created by the  
17 location or expansion of an eligible business under the  
18 program" also means the annual base rent paid to a third-party  
19 developer by an eligible business for a period not to exceed  
20 ten years, provided the cumulative cost of the base rent  
21 payments for that period does not exceed the cost of the land  
22 and the third-party developer's costs to build or renovate the  
23 building for the eligible business. The eligible business  
24 shall enter into a lease agreement with the third-party  
25 developer for a minimum of ten years. If, however, within  
26 five years of purchase, the eligible business sells, disposes  
27 of, razes, or otherwise renders unusable all or a part of the  
28 land, buildings, or other existing structures for which tax  
29 credit was claimed under this section, the income tax  
30 liability of the eligible business for the year in which all  
31 or part of the property is sold, disposed of, razed, or  
32 otherwise rendered unusable shall be increased by one of the  
33 following amounts:

34 (1) One hundred percent of the tax credit claimed under  
35 this subsection if the property ceases to be eligible for the

1 tax credit within one full year after being placed in service.

2 (2) Eighty percent of the tax credit claimed under this  
3 subsection if the property ceases to be eligible for the tax  
4 credit within two full years after being placed in service.

5 (3) Sixty percent of the tax credit claimed under this  
6 subsection if the property ceases to be eligible for the tax  
7 credit within three full years after being placed in service.

8 (4) Forty percent of the tax credit claimed under this  
9 subsection if the property ceases to be eligible for the tax  
10 credit within four full years after being placed in service.

11 (5) Twenty percent of the tax credit claimed under this  
12 subsection if the property ceases to be eligible for the tax  
13 credit within five full years after being placed in service.

14 Sec. 6. Section 15.385, subsection 4, paragraph b, Code  
15 Supplement 2003, is amended to read as follows:

16 b. For purposes of this subsection, "new investment  
17 directly related to new jobs created by the location or  
18 expansion of an eligible business under the program" means the  
19 cost of machinery and equipment, as defined in section 427A.1,  
20 subsection 1, paragraphs "e" and "j", purchased for use in the  
21 operation of the eligible business, the purchase price of  
22 which has been depreciated in accordance with generally  
23 accepted accounting principles, the purchase price of real  
24 property and any buildings and structures located on the real  
25 property, and the cost of improvements made to real property  
26 which is used in the operation of the eligible business. "New  
27 investment directly related to new jobs created by the  
28 location or expansion of an eligible business under the  
29 program" also means the annual base rent paid to a third-party  
30 developer by an eligible business for a period not to exceed  
31 ten years, provided the cumulative cost of the base rent  
32 payments for that period does not exceed the cost of the land  
33 and the third-party developer's costs to build or renovate the  
34 building for the eligible business. The eligible business  
35 shall enter into a lease agreement with the third-party



1 developer for a minimum of ten years. If, however, within  
2 five years of purchase, the eligible business sells, disposes  
3 of, razes, or otherwise renders unusable all or a part of the  
4 land, buildings, or other existing structures for which tax  
5 credit was claimed under this section, the income tax  
6 liability of the eligible business for the year in which all  
7 or part of the property is sold, disposed of, razed, or  
8 otherwise rendered unusable shall be increased by one of the  
9 following amounts:

10 (1) One hundred percent of the tax credit claimed under  
11 this subsection if the property ceases to be eligible for the  
12 tax credit within one full year after being placed in service.

13 (2) Eighty percent of the tax credit claimed under this  
14 subsection if the property ceases to be eligible for the tax  
15 credit within two full years after being placed in service.

16 (3) Sixty percent of the tax credit claimed under this  
17 subsection if the property ceases to be eligible for the tax  
18 credit within three full years after being placed in service.

19 (4) Forty percent of the tax credit claimed under this  
20 subsection if the property ceases to be eligible for the tax  
21 credit within four full years after being placed in service.

22 (5) Twenty percent of the tax credit claimed under this  
23 subsection if the property ceases to be eligible for the tax  
24 credit within five full years after being placed in service.

25 Sec. 7. Section 15E.195, Code 2003, is amended to read as  
26 follows:

27 15E.195 ENTERPRISE ZONE COMMISSION.

28 1. A county which designates an enterprise zone pursuant  
29 to section 15E.194, subsection 1, and in which an eligible  
30 enterprise zone is certified shall establish an enterprise  
31 zone commission to review applications from qualified  
32 businesses located within or requesting to locate within an  
33 enterprise zone designated pursuant to section 15E.194,  
34 subsection 1, to receive incentives or assistance as provided  
35 in section 15E.196. The enterprise zone commission shall also

1 review applications from qualified housing businesses  
2 requesting to receive incentives or assistance as provided in  
3 section 15E.193B. ~~The enterprise zone commission shall also~~  
4 ~~review applications from qualified development businesses~~  
5 ~~requesting to receive incentives or assistance as provided in~~  
6 ~~section 15E.193E.~~ The commission shall consist of nine  
7 members. Five of these members shall consist of one  
8 representative of the board of supervisors, one member with  
9 economic development expertise chosen by the department of  
10 economic development, one representative of the county zoning  
11 board, one member of the local community college board of  
12 directors, and one representative of the local workforce  
13 development center. These five members shall select the  
14 remaining four members. If the enterprise zone consists of an  
15 area meeting the requirements for eligibility for an urban or  
16 rural enterprise community under Title XIII of the federal  
17 Omnibus Budget Reconciliation Act of 1993, one of the  
18 remaining four members shall be a representative of that  
19 community. A county shall have only one enterprise zone  
20 commission to review applications for incentives and  
21 assistance for businesses located within or requesting to  
22 locate within a certified enterprise zone designated pursuant  
23 to section 15E.194, subsection 1.

24 2. A city with a population of twenty-four thousand or  
25 more which designates an enterprise zone pursuant to section  
26 15E.194, subsection 2, and in which an eligible enterprise  
27 zone is certified shall establish an enterprise zone  
28 commission to review applications from qualified businesses  
29 located within or requesting to locate within an enterprise  
30 zone to receive incentives or assistance as provided in  
31 section 15E.196. The enterprise zone commission shall review  
32 applications from qualified housing businesses requesting to  
33 receive incentives or assistance as provided in section  
34 15E.193B. ~~The enterprise zone commission shall also review~~  
35 ~~applications from qualified development businesses requesting~~

~~1 to-receive-incentives-or-assistance-as-provided-in-section~~  
~~2 15E.193E.~~ The commission shall consist of nine members. Six  
3 of these members shall consist of one representative of an  
4 international labor organization, one member with economic  
5 development expertise chosen by the department of economic  
6 development, one representative of the city council, one  
7 member of the local community college board of directors, one  
8 member of the city planning and zoning commission, and one  
9 representative of the local workforce development center.  
10 These six members shall select the remaining three members.  
11 If the enterprise zone consists of an area meeting the  
12 requirements for eligibility for an urban enterprise community  
13 under Title XIII of the federal Omnibus Budget Reconciliation  
14 Act of 1993, one of the remaining three members shall be a  
15 representative of that community. If a city contiguous to the  
16 city designating the enterprise zone is included in an  
17 enterprise zone, a representative of the contiguous city,  
18 chosen by the city council, shall be a member of the  
19 commission. A city in which an eligible enterprise zone is  
20 certified shall have only one enterprise zone commission. If  
21 a city has established an enterprise zone commission prior to  
22 July 1, 1998, the city may petition to the department of  
23 economic development to change the structure of the existing  
24 commission.

25 3. The commission may adopt more stringent requirements,  
26 including requirements related to compensation and benefits,  
27 for a business to be eligible for incentives or assistance  
28 than provided in sections 15E.1937 and 15E.193B7~~-and-15E.193E.~~  
29 The commission may develop as an additional requirement that  
30 preference in hiring be given to individuals who live within  
31 the enterprise zone. The commission shall work with the local  
32 workforce development center to determine the labor  
33 availability in the area. The commission shall examine and  
34 evaluate building codes and zoning in the enterprise zone and  
35 make recommendations to the appropriate governing body in an

1 effort to promote more affordable housing development.

2 4. If the enterprise zone commission determines that a  
3 business qualifies and is eligible to receive incentives or  
4 assistance as provided in section ~~15E.193B7-15E.193E7~~ or  
5 15E.196, the commission shall submit an application for  
6 incentives or assistance to the department of economic  
7 development. The department may approve, defer, or deny the  
8 application.

9 5. In making its decision, the commission or department  
10 shall consider the impact of the eligible business on other  
11 businesses in competition with it and compare the compensation  
12 package of businesses in competition with the business being  
13 considered for incentives or assistance. The commission or  
14 department shall make a good faith effort to identify existing  
15 Iowa businesses within an industry in competition with the  
16 business being considered for incentives or assistance. The  
17 commission or department shall also make a good faith effort  
18 to determine the probability that the proposed incentives or  
19 assistance will displace employees of existing businesses. In  
20 determining the impact on businesses in competition with the  
21 business seeking incentives or assistance, jobs created as a  
22 result of other jobs being displaced elsewhere in the state  
23 shall not be considered direct jobs created.

24 However, if the commission or department finds that an  
25 eligible business has a record of violations of the law,  
26 including but not limited to environmental and worker safety  
27 statutes, rules, and regulations, over a period of time that  
28 tends to show a consistent pattern, the eligible business  
29 shall not qualify for incentives or assistance under section  
30 ~~15E.193B7-15E.193E7~~ or 15E.196, unless the commission or  
31 department finds that the violations did not seriously affect  
32 public health or safety or the environment, or if it did that  
33 there were mitigating circumstances. In making the findings  
34 and determinations regarding violations, mitigating  
35 circumstances, and whether an eligible business is eligible

1 for incentives or assistance under section 15E.193B~~7~~-~~15E.193E~~  
2 or 15E.196, the commission or department shall be exempt from  
3 chapter 17A. If requested by the commission or department,  
4 the business shall provide copies of materials documenting the  
5 type of violation, any fees or penalties assessed, court  
6 filings, final disposition of any findings, and any other  
7 information which would assist the commission or department in  
8 assessing the nature of any violation.

9 6. A business that is approved to receive incentives or  
10 assistance shall, for the length of its designation as an  
11 enterprise zone business, certify annually to the county or  
12 city, as applicable, and the department of economic  
13 development its compliance with the requirements of section  
14 15E.193~~7~~ or 15E.193B~~7~~-~~or-15E.193E~~.

15 Sec. 8. Section 15E.196, subsection 7, Code Supplement  
16 2003, is amended by striking the subsection.

17 Sec. 9. Section 15E.193C, Code Supplement 2003, is  
18 repealed.

19 Sec. 10. EFFECTIVE DATE. This Act, being deemed of  
20 immediate importance, takes effect upon enactment.

21 EXPLANATION

22 This bill relates to economic development incentives under  
23 the new jobs and income program, the new capital investment  
24 program, and the enterprise zone program.

25 The bill requires agreements under the new jobs and income  
26 program to include payback provisions for all incentives  
27 received under the program if job creation requirements are  
28 not met.

29 The bill amends the sales, services, and use tax refund  
30 under the new jobs and income program. The bill provides that  
31 a third-party developer constructing or renovating and leasing  
32 a facility to an eligible business shall receive the refund  
33 under the program for taxes paid by the developer in lieu of  
34 the receipt of the refund by the eligible business provided  
35 that the third-party developer is a party to the new jobs and

1 income program agreement.

2 The bill amends the investment tax credit and the insurance  
3 premium tax credit under the new jobs and income program and  
4 under the new capital investment program. The bill provides  
5 that, in addition to the current meaning under the programs  
6 for "new investment directly related to new jobs created by  
7 the location or expansion of an eligible business under the  
8 program", the term also means the annual base rent paid to a  
9 third-party developer by an eligible business for a period not  
10 to exceed 10 years, provided the cumulative cost of the base  
11 rent payments for that period does not exceed the cost of the  
12 land and the third-party developer's costs to build or  
13 renovate the building for the eligible business. The eligible  
14 business shall enter into a lease agreement with the third-  
15 party developer for a minimum of 10 years.

16 The bill repeals a portion of the enterprise zone program  
17 which allows an eligible development business to receive  
18 incentives and assistance under the program. The bill makes  
19 conforming amendments.

20 The bill takes effect upon enactment.

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**HOUSE FILE 2540****H-8246**

1 Amend House File 2540 as follows:

2 1. By striking page 1, line 10, through page 2,  
3 line 29, and inserting the following:

4 "Sec. \_\_\_\_ . NEW SECTION. 15.331C CORPORATE TAX  
5 CREDIT -- FOR CERTAIN SALES TAXES PAID BY DEVELOPER.

6 1. An eligible business or a supporting business  
7 may claim a corporate tax credit in an amount equal to  
8 the taxes paid by a third-party developer under  
9 chapters 422 and 423 for gas, electricity, water, or  
10 sewer utility services, goods, wares, or merchandise,  
11 or on services rendered, furnished, or performed to or  
12 for a contractor or subcontractor and used in the  
13 fulfillment of a written contract relating to the  
14 construction or equipping of a facility with the  
15 economic development area of the eligible business or  
16 supporting business. Taxes attributable to intangible  
17 property and furniture and furnishings shall not be  
18 included, but taxes attributable to racks, shelving,  
19 and conveyor equipment to be used in a warehouse or  
20 distribution center shall be included. Any credit in  
21 excess of the tax liability for the tax year may be  
22 credited to the tax liability for the following seven  
23 years or until depleted, whichever occurs earlier. An  
24 eligible business may elect to receive a refund of all  
25 or a portion of an unused tax credit.

26 2. A third-party developer shall state under oath,  
27 on forms provided by the department of economic  
28 development, the amount of taxes paid as described in  
29 subsection 1 and shall submit such forms to the  
30 department. After receiving the form from the third-  
31 party developer, the department shall issue a tax  
32 credit to the eligible business or supporting  
33 business. The eligible business or supporting  
34 business shall not claim a tax credit under this  
35 section unless a tax credit certificate issued by the  
36 department of economic development is attached to the  
37 taxpayer's tax return for the tax year for which the  
38 tax credit is claimed. A tax credit certificate shall  
39 contain the eligible business's or supporting  
40 business's name, address, tax identification number,  
41 the amount of the tax credit, and other information  
42 required by the department of revenue."

43 2. Page 4, line 7, by striking the word "ten" and  
44 inserting the following: "five".

45 3. Page 6, line 2, by striking the word "ten" and  
46 inserting the following: "five".

47 4. Page 6, by inserting after line 3 the  
48 following:

49 "Sec. \_\_\_\_ . Section 15.385, Code Supplement 2003,  
50 is amended by adding the following new subsection:

**H-8246**

**H-8246**

Page 2

1 NEW SUBSECTION. 1A. Corporate tax credit for  
2 certain sales taxes paid by developer, as provided in  
3 section 15.331C."

4 5. Page 6, line 25, by striking the word "ten"  
5 and inserting the following: "five".

6 6. Page 8, line 1, by striking the word "ten" and  
7 inserting the following: "five".

**By** COMMITTEE ON ECONOMIC GROWTH  
HOFFMAN of Crawford, Chairperson

**H-8246** FILED MARCH 16, 2004  
ADOPTED