

SENATE FILE 2055

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and DEARDEN

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the amount of tax credits that may be approved
2 in a fiscal year under the property rehabilitation tax credit
3 program when projects are located in cultural and
4 entertainment districts.

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

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SF 2055
LOCAL GOVERNMENT

1 Section 1. Section 404A.4, subsection 4, Code Supplement
2 2003, is amended to read as follows:

3 4. The total amount of tax credits that may be approved
4 for a fiscal year under this chapter shall not exceed two
5 million four hundred thousand dollars. ~~For the fiscal years~~
6 ~~beginning July 17, 2005, and July 17, 2006, an additional five~~
7 ~~hundred thousand dollars of tax~~ Tax credits may be approved
8 each fiscal year for purposes of projects located in cultural
9 and entertainment districts certified pursuant to section
10 303.3B shall not be counted toward the limit on the amount of
11 tax credits that can be approved in a fiscal year under this
12 subsection. Any of the additional tax credits allocated for
13 projects located in certified cultural and entertainment
14 districts that are not approved during a fiscal year may be
15 carried over to the succeeding fiscal year. Tax credit
16 certificates shall be issued on the basis of the earliest
17 awarding of certifications of completion as provided in
18 subsection 1. The departments of economic development and
19 revenue shall each adopt rules to jointly administer this
20 subsection and shall provide by rule for the method to be used
21 to determine for which fiscal year the tax credits are
22 approved.

23 EXPLANATION

24 This bill amends the limit on the amount of tax credits
25 that may be approved for purposes of the rehabilitation tax
26 credit program. Present law has a limit of \$2.4 million per
27 fiscal year with another \$500,000 for FY 2005-2006 and FY
28 2006-2007 for tax credits approved if the property is located
29 in a cultural and entertainment district. The bill leaves the
30 \$2.4 million limit in place but allows for unlimited tax
31 credits if the property is located in a cultural and
32 entertainment district. This change will begin July 1, 2004,
33 and last indefinitely.

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