

FEB 15 2006  
ECONOMIC GROWTH

HOUSE FILE 2392  
BY DANDEKAR, HUSER, and  
STRUYK

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

**A BILL FOR**

1 An Act relating to investment tax credits for investments in  
2 targeted small businesses.

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

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

HF 2392

1 Section 1. Section 15E.43, subsection 4, Code Supplement  
2 2005, is amended to read as follows:

3 4. a. For tax credits resulting from investments in a  
4 community-based seed capital fund or a qualifying business  
5 under section 15E.44, subsection 2, paragraph "a", the  
6 following amount of tax credits shall be issued:

7 (1) The aggregate amount of tax credits issued pursuant to  
8 this division shall not exceed a total of ten million dollars.

9 (2) The total amount of tax credits issued during the  
10 fiscal year beginning July 1, 2002, shall not exceed three  
11 million dollars. The total amount of tax credits issued  
12 during the fiscal year beginning July 1, 2003, shall not  
13 exceed three million dollars. The total amount of tax credits  
14 issued during the fiscal year beginning July 1, 2004, shall  
15 not exceed four million dollars.

16 (3) Any amount of the maximum aggregate limit of tax  
17 credits that have not been issued by June 30, 2005, may be  
18 issued in any subsequent fiscal year. Not more than three  
19 million dollars of tax credits may be issued in any one  
20 subsequent fiscal year.

21 b. For tax credits resulting from investments in a  
22 qualifying business under section 15E.44, subsection 2,  
23 paragraph "b", not more than five hundred thousand dollars of  
24 such tax credits may be issued during any fiscal year.

25 Sec. 2. Section 15E.44, subsection 2, Code Supplement  
26 2005, is amended to read as follows:

27 2. In order to be a qualifying business, a business must  
28 ~~meet-all-of-the-following-criteria~~ be one of the following:

29 a. A business that meets all of the following criteria:

30 (1) The principal business operations of the business are  
31 located in this state.

32 b- (2) The business has been in operation for six years  
33 or less.

34 c- (3) The business has an owner who has successfully  
35 completed one of the following:



1 cannot claim tax credits for more than five different  
2 investments in five different qualifying businesses.

3 The bill limits the total amount of such tax credits that  
4 may be issued in one fiscal year to \$500,000.

5

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