

FEB 23 2006  
ECONOMIC GROWTH

HOUSE FILE 2497  
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Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to economic development by creating a bioscience  
2 funding board and bioscience fund, providing tax incentives  
3 under the high quality job creation Act, and providing an  
4 exempt activity for foreign corporations, and including  
5 effective and retroactive applicability date provisions.

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

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HF 2497

1 Section 1. NEW SECTION. 15E.361 BIOSCIENCE FUNDING BOARD  
2 -- BIOSCIENCE FUND.

3 1. A bioscience funding board is established for purposes  
4 of funding bioscience-related projects. The board shall award  
5 financial assistance from moneys available in the bioscience  
6 fund created in subsection 4. Financial assistance shall not  
7 be used for employee salaries or for endowed chair positions.

8 2. The board shall consist of the following members:

9 a. Three members of the state board of regents appointed  
10 by the governor and confirmed by the senate pursuant to  
11 section 2.32.

12 b. Three members of a single bioscience development  
13 organization identified by the department pursuant to section  
14 15G.111, subsection 2, appointed by the governor and confirmed  
15 by the senate pursuant to section 2.32.

16 c. One member appointed by the Iowa economic development  
17 board and confirmed by the senate pursuant to section 2.32.

18 3. The terms of the appointed members shall be staggered  
19 as determined by the governor. A vacancy shall be filled by  
20 the appointing authority. Members shall serve three-year  
21 terms and may be reappointed.

22 4. A bioscience fund is created in the state treasury  
23 under the control of the board and consisting of any moneys  
24 appropriated by the general assembly and any other moneys  
25 available to and obtained or accepted by the board for  
26 placement in the fund. Payments of interest, repayments of  
27 moneys loaned pursuant to this section, and recaptures of  
28 loans shall be deposited in the fund. The fund shall be used  
29 to provide grants, loans, forgivable loans, loan guarantees,  
30 and other forms of assistance pursuant to subsection 1.

31 Moneys in the fund are not subject to section 8.33.

32 Notwithstanding section 12C.7, interest or earnings on moneys  
33 in the fund shall be credited to the fund.

34 Sec. 2. Section 15.335A, Code Supplement 2005, is amended  
35 by adding the following new subsection:

1 NEW SUBSECTION. 7. a. In calculating the annual wage,  
2 including benefits, pursuant to subsection 1, the department  
3 shall not require a certain wage level, without benefits, to  
4 be met.

5 b. In calculating the value of benefits pursuant to  
6 subsection 1, if an employer offers medical insurance under  
7 both single and family coverage plans, the employer shall be  
8 given credit for providing medical insurance under family  
9 coverage plans to fifty percent of the number of new high-  
10 quality jobs employees.

11 Sec. 3. Section 422.34A, Code 2005, is amended by adding  
12 the following new subsection:

13 NEW SUBSECTION. 8. Storing tangible personal property in  
14 a warehouse located in Iowa which is not owned by the  
15 corporation provided that none of the goods are delivered or  
16 shipped so as to be included in the gross sales of the  
17 corporation within this state as provided in section 422.33,  
18 subsection 2, paragraph "b", subparagraph (6).

19 Sec. 4. EFFECTIVE AND RETROACTIVE APPLICABILITY DATE.

20 1. Section 2 of this Act, being deemed of immediate  
21 importance, takes effect upon enactment and applies  
22 retroactively to June 9, 2005.

23 2. Section 3 of this Act, being deemed of immediate  
24 importance, takes effect upon enactment and applies  
25 retroactively to January 1, 2006, for tax years beginning on  
26 or after that date.

27 EXPLANATION

28 This bill relates to economic development by creating a  
29 bioscience funding board and bioscience fund, providing tax  
30 incentives under the high quality job creation Act, and  
31 providing an income tax exempt activity for foreign  
32 corporations.

33 The bill establishes a bioscience funding board for  
34 purposes of funding bioscience-related projects. The bill  
35 provides that the board shall award financial assistance from

1 moneys in the bioscience fund. The bill prohibits the use of  
2 financial assistance for employee salaries or for endowed  
3 chair positions. The bill creates a bioscience fund in the  
4 state treasury under the control of the board and consisting  
5 of any moneys appropriated by the general assembly and any  
6 other moneys available to and obtained or accepted by the  
7 board for placement in the fund.

8 In determining eligibility for tax incentives under the  
9 high quality job creation Act, a calculation of the annual  
10 wage, including benefits, of new high-quality jobs created  
11 must be performed. The bill provides that, in making the  
12 calculation, the department shall not require a certain wage  
13 level, without benefits, to be met. The bill provides that,  
14 in making a calculation of the value of benefits, if an  
15 employer offers medical insurance under both single and family  
16 coverage plans, the employer shall be given credit for  
17 providing medical insurance under family coverage plans to 50  
18 percent of the number of new high-quality jobs employees.  
19 This provision of the bill takes effect upon enactment and  
20 applies retroactively to June 9, 2005.

21 The bill provides that a foreign corporation shall not be  
22 considered doing business in this state or deriving income  
23 from sources within this state for the purposes of corporate  
24 income tax liability by the storing of tangible personal  
25 property in a warehouse located in Iowa which is not owned by  
26 the corporation provided that none of the goods are delivered  
27 or shipped so as to be included in the gross sales of the  
28 corporation within this state due to being delivered or  
29 shipped to a purchaser within this state. This provision  
30 takes effect upon enactment and applies retroactively to  
31 January 1, 2006.

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