HOUSE FILE 98

BY HOGG and DANDEKAR

Passed House, Date _____   Passed Senate, Date _____

Vote: Ayes _____ Nays _____   Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to criteria and incentives under the new capital

2   investment program and providing effective date and

3   retroactive applicability provisions.

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

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1   Section 1.   Section 15.384, subsection 1, paragraph c, Code
2 2005, is amended to read as follows:
3   c.   The business makes a capital investment of at least ~~one~~
4 ~~million~~ two hundred fifty thousand dollars.
5   Sec. 2.   Section 15.385, Code 2005, is amended by adding
6 the following new subsection:
7   NEW SUBSECTION.   6.   For eligible businesses that make a
8 capital investment of at least two hundred fifty thousand
9 dollars, but less than one million dollars, the aggregate
10 amount of tax credits authorized pursuant to this section
11 shall not exceed a total of two million dollars each fiscal
12 year.   The department shall develop a system for registration
13 and authorization of tax credits under this subsection and
14 shall control, in cooperation with the department of revenue,
15 the distribution of all such tax credits to eligible
16 businesses.
17   Sec. 3.   EFFECTIVE DATE AND RETROACTIVE APPLICABILITY.
18 This Act, being deemed of immediate importance, takes effect
19 upon enactment and is retroactively applicable to January 1,
20 2005, for tax years beginning on or after that date.
21   EXPLANATION
22   This bill relates to criteria and incentives under the new
23 capital investment program.
24   The bill lowers the capital investment requirement for
25 eligible businesses under the program from $1 million to
26 $250,000.
27   The bill provides that, for eligible businesses that make a
28 capital investment of at least $250,000, but less than $1
29 million, the aggregate amount of tax credits authorized under
30 the program shall not exceed a total of $2 million each fiscal
31 year.   The bill provides that the department shall develop a
32 system for registration and authorization of tax credits under
33 the program and shall control the distribution of all tax
34 credits to taxpayers.
35   The bill takes effect upon enactment and applies

1 retroactively to January 1, 2005, for tax years beginning on
2 or after that date.
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