

House Study Bill 53

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC GROWTH BILL BY
CHAIRPERSON HOFFMAN)

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

A BILL FOR

1 An Act relating to the transferability of eligible housing
2 business tax credits for new housing investment under the
3 enterprise zone program.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1871YC 81
6 tm/gg/14

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1 1 Section 1. Section 15E.193B, subsection 8, unnumbered
1 2 paragraph 1, Code 2005, is amended to read as follows:
1 3 The amount of the tax credits determined pursuant to
1 4 subsection 6, paragraph "a", for each project shall be
1 5 approved by the department of economic development. The
1 6 department shall utilize the financial information required to
1 7 be provided under subsection 5, paragraph "e", to determine
1 8 the tax credits allowed for each project. In determining the
1 9 amount of tax credits to be allowed for a project, the
1 10 department shall not include the portion of the project cost
1 11 financed through federal, state, and local government tax
1 12 credits, grants, and forgivable loans. Upon approving the
1 13 amount of the tax credit, the department of economic
1 14 development shall issue a tax credit certificate to the
1 15 eligible housing business. An eligible housing business or
1 16 transferee shall not claim the tax credit unless a tax credit
1 17 certificate issued by the department of economic development
1 18 is attached to the taxpayer's return for the tax year for
1 19 which the tax credit is claimed. The tax credit certificate
1 20 shall contain the taxpayer's name, address, tax identification
1 21 number, the amount of the tax credit, and other information
1 22 required by the department of revenue. The tax credit
1 23 certificate shall be transferable if the housing development
1 24 is located in a brownfield site as defined in section 15.291,
1 25 if the housing development is located in a blighted area as
1 26 defined in section 403.17, or if low-income housing tax
1 27 credits authorized under section 42 of the Internal Revenue
1 28 Code are used to assist in the financing of the housing
1 29 development. Tax credit certificates issued under this
1 30 chapter may be transferred to any person or entity. Within
1 31 ninety days of transfer, the transferee must submit the
1 32 transferred tax credit certificate to the department of
1 33 economic development along with a statement containing the
1 34 transferee's name, tax identification number, and address, and
1 35 the denomination that each replacement tax credit certificate
2 1 is to carry and any other information required by the
2 2 department of revenue. Within thirty days of receiving the
2 3 transferred tax credit certificate and the transferee's
2 4 statement, the department of economic development shall issue
2 5 one or more replacement tax credit certificates to the
2 6 transferee. Each replacement certificate must contain the
2 7 information required to receive the original certificate and
2 8 must have the same expiration date that appeared in the
2 9 transferred tax credit certificate. Tax credit certificate
2 10 amounts of less than the minimum amount established by rule of
2 11 the department of economic development shall not be
2 12 transferable. A tax credit shall not be claimed by a
2 13 transferee under subsection 6, paragraph "a", until a
2 14 replacement tax credit certificate identifying the transferee
2 15 as the proper holder has been issued.

EXPLANATION

2 16
2 17 This bill relates to the transferability of eligible

2 18 housing business tax credits for new housing investment under
2 19 the enterprise zone program.
2 20 An eligible housing business under the enterprise zone
2 21 program may receive a tax credit of up to 10 percent of the
2 22 new investment which is directly related to the building or
2 23 rehabilitating of a minimum of four single-family homes
2 24 located in that part of a city or county in which there is a
2 25 designated enterprise zone or one multiple-dwelling unit
2 26 building containing three or more individual dwelling units
2 27 located in that part of a city or county in which there is a
2 28 designated enterprise zone. Currently, the tax credits are
2 29 transferable if low-income housing tax credits authorized
2 30 under section 42 of the Internal Revenue Code are used to
2 31 assist in the financing of the housing development. The bill
2 32 provides that the tax credits are also transferable if the
2 33 housing development is located in a brownfield site or if the
2 34 housing development is located in a blighted area.
2 35 LSB 1871YC 81
3 1 tm:nh/gg/14