

House File 376 - Introduced

HOUSE FILE _____
BY KELLEY, WENTHE, MERTZ,
and DRAKE

(COMPANION TO LSB 2296SS
BY HECKROTH)

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

A BILL FOR

1 An Act modifying and extending state tax benefits for use of
2 soy-based transformer fluid by electric utilities and
3 including effective and applicability date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2296HH 82
6 mg/je/5

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1 1 Section 1. Section 422.11R, Code 2007, is amended to read
1 2 as follows:
1 3 422.11R SOY-BASED TRANSFORMER FLUID TAX CREDIT.
1 4 The taxes imposed under this division, less the credits
1 5 allowed under sections 422.12 and 422.12B, shall be reduced by
1 6 a soy-based transformer fluid tax credit allowed under chapter
1 7 476D.
1 8 This section is repealed December 31, ~~2008~~ 2010.
1 9 Sec. 2. Section 422.33, subsection 23, Code 2007, is
1 10 amended to read as follows:
1 11 23. The taxes imposed under this division shall be reduced
1 12 by a soy-based transformer fluid tax credit allowed under
1 13 chapter 476D.
1 14 This subsection is repealed December 31, ~~2008~~ 2010.
1 15 Sec. 3. Section 423.4, subsection 7, paragraph c, Code
1 16 2007, is amended to read as follows:
1 17 c. This subsection is repealed December 31, ~~2008~~ 2010.
1 18 Sec. 4. Section 437A.17C, Code 2007, is amended to read as
1 19 follows:
1 20 437A.17C REIMBURSEMENT FOR SOY-BASED TRANSFORMER FLUID.
1 21 A person in possession of a soy-based transformer fluid tax
1 22 credit certificate issued pursuant to chapter 476D may apply
1 23 to the director for a reimbursement of the amount of taxes
1 24 imposed and paid by the person pursuant to this chapter in an
1 25 amount not more than the person received in soy-based
1 26 transformer fluid tax credit certificates pursuant to chapter
1 27 476D. To obtain the reimbursement, the person shall attach to
1 28 the return required under section 437A.8 the soy-based
1 29 transformer fluid tax credit certificates issued to the person
1 30 pursuant to chapter 476D and provide any other information the
1 31 director may require. The director shall direct a warrant to
1 32 be issued to the person for an amount equal to the tax imposed
1 33 and paid by the person pursuant to this chapter but for not
1 34 more than the amount of the soy-based transformer fluid tax
1 35 credit certificates attached to the return.
2 1 This section is repealed December 31, ~~2008~~ 2010.
2 2 Sec. 5. Section 476D.2, subsection 1, paragraph a, Code
2 3 2007, is amended to read as follows:
2 4 a. The costs were incurred after June 30, 2006, and before
2 5 January 1, ~~2008~~ 2010.
2 6 Sec. 6. Section 476D.2, subsection 1, paragraph c, Code
2 7 2007, is amended to read as follows:
2 8 c. The credit for the purchase and replacement of
2 9 soy-based transformer fluid used in the transition is limited
2 10 to ~~two~~ four dollars per gallon. The total number of gallons
2 11 used in the transition shall not exceed ~~twenty~~ forty thousand
2 12 gallons per electric utility.
2 13 Sec. 7. Section 476D.2, subsection 4, Code 2007, is
2 14 amended to read as follows:
2 15 4. The total amount of soy-based transformer fluid

2 16 eligible for a tax credit shall not exceed sixty one hundred
2 17 twenty thousand gallons.

2 18 Sec. 8. Section 476D.5, Code 2007, is amended to read as
2 19 follows:

2 20 476D.5 APPLICABILITY == REPEAL.

2 21 1. This chapter applies to tax years ending after June 30,
2 22 2006, and beginning before January 1, ~~2008~~ 2010.

2 23 2. This chapter is repealed December 31, ~~2008~~ 2010.

2 24 Sec. 9. EFFECTIVE AND APPLICABILITY DATES. This Act,
2 25 being deemed of immediate importance, takes effect upon
2 26 enactment and applies to applications made on or after the
2 27 effective date of this Act.

2 28 EXPLANATION

2 29 This bill extends the repeal of the state tax benefits for
2 30 the use of soy-based transformer fluid by electric utilities
2 31 from December 31, 2008, to December 31, 2010. The bill also
2 32 increases the amount of credit from \$2 to \$4 per gallon and
2 33 the amount of gallons that may be used by an electric utility
2 34 from 20,000 to 40,000 gallons. The total amount of gallons
2 35 available for the credit is increased from 60,000 to 120,000
3 1 gallons. The state tax benefits that are affected by this
3 2 extension are the tax credit under the individual or corporate
3 3 income tax and the refund of sales and use taxes or utility
3 4 replacement taxes paid.

3 5 The bill takes effect upon enactment and applies to
3 6 applications for the tax credit made on or after the enactment
3 7 date.

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3 9 mg:sc/je/5.1