

# House File 858 - Introduced

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON ECONOMIC GROWTH  
(SUCCESSOR TO HF 404)

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

## A BILL FOR

1 An Act relating to enterprise zones that include the site of a  
2 biodiesel or biodiesel blended fuel production facility.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1898HV 82  
5 tm/gg/14

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1 1 Section 1. Section 15E.196, subsection 3, Code 2007, is  
1 2 amended to read as follows:  
1 3 3. a. Investment tax credit of up to ten percent, as  
1 4 provided in section 15.333.  
1 5 b. For purposes of the tax credit provided in paragraph  
1 6 "a", if the eligible business is a biodiesel or biodiesel  
1 7 blended fuel production facility, the department of economic  
1 8 development shall issue a biodiesel enterprise zone investment  
1 9 tax credit certificate to be attached to the taxpayer's tax  
1 10 return. The tax credit certificate shall contain the  
1 11 taxpayer's name, address, tax identification number, the date  
1 12 of project completion, the amount of credit, other information  
1 13 required by the department of revenue, and a place for the  
1 14 name and tax identification number of a transferee and the  
1 15 amount of the tax credit being transferred. Tax credit  
1 16 certificates issued under this paragraph may be transferred to  
1 17 any person or entity. Within ninety days of transfer, the  
1 18 transferee must submit the transferred tax credit certificate  
1 19 to the department of revenue along with a statement containing  
1 20 the transferee's name, tax identification number, and address,  
1 21 and the denomination that each replacement tax credit  
1 22 certificate is to carry and any other information required by  
1 23 the department of revenue. Within thirty days of receiving  
1 24 the transferred tax credit certificate and the transferee's  
1 25 statement, the department of revenue shall issue one or more  
1 26 replacement tax credit certificates to the transferee. Each  
1 27 replacement certificate must contain the information required  
1 28 for the original tax credit certificate and must have the same  
1 29 expiration date that appeared on the original tax credit  
1 30 certificate. Tax credit certificate amounts of less than the  
1 31 minimum amount established by rule of the department of  
1 32 economic development shall not be transferable. A tax credit  
1 33 shall not be claimed by a transferee under this paragraph  
1 34 until a replacement tax credit certificate identifying the  
1 35 transferee as the proper holder has been issued. The  
2 1 transferee may use the amount of the tax credit transferred  
2 2 against the taxes imposed under chapter 422, divisions II,  
2 3 III, and V, and under chapter 432, and against the moneys and  
2 4 credits tax imposed in section 533.24, for any tax year the  
2 5 original transferor could have claimed the tax credit. Any  
2 6 consideration received for the transfer of the tax credit  
2 7 shall not be included as income under chapter 422, divisions  
2 8 II, III, and V, under chapter 432, or against the moneys and  
2 9 credits tax imposed in section 533.24. Any consideration paid  
2 10 for the transfer of the tax credit shall not be deducted from  
2 11 income under chapter 422, divisions II, III, and V, under  
2 12 chapter 432, or against the moneys and credits tax imposed in  
2 13 section 533.24.  
2 14 c. For purposes of this subsection, the terms "biodiesel"  
2 15 and "biodiesel blended fuel" mean the same as defined in  
2 16 section 214A.1.

## EXPLANATION

2 17  
2 18 This bill relates to enterprise zones that include the site

2 19 of a biodiesel or biodiesel blended fuel production facility.  
2 20 Currently, an eligible business under the enterprise zone  
2 21 program may elect to receive an investment tax credit as one  
2 22 of the incentives and assistance under the program. The bill  
2 23 provides that if the eligible business is a biodiesel or  
2 24 biodiesel blended fuel production facility the investment tax  
2 25 credit under the program is transferable. The bill provides a  
2 26 procedure for the issuance of biodiesel enterprise zone  
2 27 investment tax credit certificates required for the transfer  
2 28 and claiming of the tax credit. The bill allows a transferee  
2 29 to use the amount of the tax credit transferred against  
2 30 individual and corporate tax liabilities, franchise tax  
2 31 liabilities for financial institutions, insurance premium tax  
2 32 liabilities for insurance companies, and the moneys and  
2 33 credits tax. The bill provides that the transferee may claim  
2 34 the tax credit for any tax year the original transferor could  
2 35 have claimed the tax credit.  
3 1 LSB 1898HV 82  
3 2 tm:sc/gg/14