

# House Study Bill 168

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
ECONOMIC GROWTH BILL BY  
CHAIRPERSON THOMAS)

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

## A BILL FOR

1 An Act creating an insurance industry new jobs tax credit.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
3 TLSB 2351HC 82  
4 tm/es/88

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1 1 Section 1. NEW SECTION. 432.12J INSURANCE INDUSTRY NEW  
1 2 JOBS TAX CREDIT.  
1 3 1. The taxes imposed under this chapter shall be reduced  
1 4 by an insurance industry new jobs tax credit. The insurance  
1 5 industry new jobs tax credit is in lieu of, and not in  
1 6 addition to, the new jobs tax credit as provided in section  
1 7 422.11A. An industry which has entered into an agreement  
1 8 under chapter 260E and which has increased its base employment  
1 9 level by at least ten percent within the time set in the  
1 10 agreement or, in the case of an industry without a base  
1 11 employment level, adds new jobs within the time set in the  
1 12 agreement is entitled to an insurance industry new jobs tax  
1 13 credit for the tax year selected by the industry. In  
1 14 determining if the industry has increased its base employment  
1 15 level by ten percent or added new jobs, only those new jobs  
1 16 directly resulting from the project covered by the agreement  
1 17 and those directly related to those new jobs shall be counted.  
1 18 2. The amount of the credit is equal to the product of six  
1 19 percent of the taxable wages upon which an employer is  
1 20 required to contribute to the state unemployment compensation  
1 21 administration fund, as defined in section 96.19, times the  
1 22 number of new jobs existing in the tax year that directly  
1 23 result from the project covered by the agreement or new jobs  
1 24 that directly result from those new jobs. The tax year chosen  
1 25 by the industry shall either begin or end during the period  
1 26 beginning with the date of the agreement and ending with the  
1 27 date by which the project is to be completed under the  
1 28 agreement. Any credit in excess of the tax liability for the  
1 29 tax year may be credited to the tax liability for the  
1 30 following ten tax years or until depleted, whichever is the  
1 31 earlier. An insurance industry new jobs tax credit may only  
1 32 be claimed once for each new qualifying job. For purposes of  
1 33 this section, "agreement", "industry", "new job", and  
1 34 "project" mean the same as defined in section 260E.2, and  
1 35 "base employment level" means the number of full-time jobs an  
2 1 industry employs at the plant site which is covered by an  
2 2 agreement under chapter 260E on the date of that agreement.  
2 3 The insurance industry new jobs tax credit may only be claimed  
2 4 by an industry entering into an agreement under chapter 260E  
2 5 on or after July 1, 2007.

## EXPLANATION

2 7 This bill creates an insurance industry new jobs tax  
2 8 credit.  
2 9 The bill provides that the tax on insurance premiums shall  
2 10 be reduced by an insurance industry new jobs tax credit. The  
2 11 insurance industry new jobs tax credit is in lieu of, and not  
2 12 in addition to, the new jobs tax credit allowed against  
2 13 personal income tax liability. The bill provides that an  
2 14 industry which has entered into an industrial new jobs  
2 15 agreement under Code chapter 260E and which has increased its  
2 16 base employment level by at least 10 percent within the time  
2 17 set in the agreement or, in the case of an industry without a  
2 18 base employment level, adds new jobs within the time set in  
2 19 the agreement is entitled to the insurance industry new jobs

2 20 tax credit for the tax year selected by the industry.  
2 21 The bill provides that the amount of the tax credit is  
2 22 equal to the product of 6 percent of the taxable wages upon  
2 23 which an employer is required to contribute to the state  
2 24 unemployment compensation administration fund times the number  
2 25 of new jobs existing in the tax year that directly result from  
2 26 the project covered by the agreement or new jobs that directly  
2 27 result from those new jobs. The bill allows any credit in  
2 28 excess of the tax liability for the tax year to be credited to  
2 29 the tax liability for the following 10 tax years or until  
2 30 depleted, whichever is the earlier.  
2 31 The bill provides that an insurance industry new jobs tax  
2 32 credit may only be claimed once for each new qualifying job.  
2 33 The bill provides that an insurance industry new jobs tax  
2 34 credit may only be claimed by an industry entering into an  
2 35 agreement under Code chapter 260E on or after July 1, 2007.  
3 1 LSB 2351HC 82  
3 2 tm:nh/es/88