

House File 167 - Introduced

HOUSE FILE _____
BY WENDT and WHITEAD

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

A BILL FOR

1 An Act relating to withholding agreements and local match
2 requirements of the targeted jobs withholding tax credit
3 program.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1481HH 83
6 tw/sc:mg/8

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1 1 Section 1. Section 403.19A, subsection 3, paragraph c,
1 2 Code 2009, is amended to read as follows:
1 3 c. ~~(1)~~ The pilot project city shall enter into a
1 4 withholding agreement with each employer concerning the
1 5 targeted jobs withholding credit. The withholding agreement
1 6 shall provide for the total amount of withholding tax credits
1 7 awarded. An agreement shall not provide for an amount of
1 8 withholding credits that exceeds the amount of the qualifying
1 9 investment made in the project. However, an An agreement
1 10 shall not be entered into by a pilot project city with a
1 11 business currently located in this state unless the business
1 12 either creates ten new jobs or makes a qualifying investment
1 13 of at least five hundred thousand dollars within the urban
1 14 renewal area. The withholding agreement may have a term of up
1 15 to ten years. An employer shall not be obligated to enter
1 16 into a withholding agreement.

1 17 ~~(2) The pilot project city shall not enter into a~~
1 18 ~~withholding agreement after June 30, 2010.~~

1 19 Sec. 2. Section 403.19A, subsection 3, paragraph j, Code
1 20 2009, is amended by striking the paragraph and inserting in
1 21 lieu thereof the following:

1 22 j. (1) A pilot project city entering into a withholding
1 23 agreement shall arrange for matching local financial support
1 24 for the project. The local match required under this
1 25 paragraph "j" shall be in an amount equal to one dollar for
1 26 every dollar of withholding credit received by the pilot
1 27 project city.

1 28 (2) For purposes of this paragraph "j", "local financial
1 29 support" means cash or in-kind contributions to the project
1 30 from a private donor, a business, or the pilot project city.

1 31 (3) If the project, when completed, will increase the
1 32 amount of property tax revenues collected by the pilot project
1 33 city by an amount equal to at least ten percent of the amount
1 34 of withholding credit dollars received by the pilot project
1 35 city, then the pilot project city shall itself contribute at
2 1 least ten percent of the local match amount computed under
2 2 subparagraph (1).

2 3 (4) A pilot project city's contribution, if any, to the
2 4 local match may include the dollar value of any tax abatement
2 5 provided by the city to the business for new construction.

EXPLANATION

2 7 This bill relates to the targeted jobs withholding tax
2 8 credit program.

2 9 The bill provides that a withholding agreement shall
2 10 include the total amount of withholding tax credits awarded
2 11 and that the amount of credits shall not exceed the amount of
2 12 the qualifying investment made in the project.

2 13 Current law provides that a pilot project city shall not
2 14 enter into agreements after June 30, 2010. The bill
2 15 eliminates this provision.

2 16 The bill amends and clarifies the local match requirements
2 17 of the program. The bill provides that if the completed
2 18 project will increase the amount of property tax revenues
2 19 collected by the pilot project city by 10 percent or more of

2 20 the amount of withholding credit dollars received, then the
2 21 pilot project city must contribute at least 10 percent of the
2 22 local match requirement.
2 23 The bill specifies that a pilot project city's
2 24 contribution, if any, to the local match may include the
2 25 dollar value of any tax abatement provided by the city to the
2 26 business for new construction.
2 27 LSB 1481HH 83
2 28 tw/sc:mg/8