

**House File 2349 - Introduced**

HOUSE FILE 2349  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO HF 2082)

**A BILL FOR**

1 An Act providing for a tax credit against the individual  
2 and corporate income taxes, the franchise tax, insurance  
3 premiums tax, and the moneys and credits tax for a  
4 charitable contribution to certain institutions engaged in  
5 regenerative medicine research and including a retroactive  
6 applicability date provision.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 422.11Y Regenerative medicine  
2 research tax credit.

3 1. a. The taxes imposed under this division, less the  
4 credits allowed under section 422.12, shall be reduced by a  
5 regenerative medicine research tax credit.

6 b. The credit shall be in an amount equal to twenty  
7 percent of a taxpayer's charitable contribution to an eligible  
8 research institution located in the state. For purposes  
9 of this section, "*eligible research institution*" means a  
10 nonprofit organization exempt from federal income taxation  
11 under section 501(c)(3) of the Internal Revenue Code that is  
12 engaged in research designed to improve patient care through  
13 the development and dissemination of novel clinical therapies  
14 for the functional repair and replacement of diseased tissues  
15 and organs.

16 c. An individual may claim a tax credit under this  
17 subsection of a partnership, limited liability company,  
18 S corporation, estate, or trust electing to have income  
19 taxed directly to the individual. The amount claimed by the  
20 individual shall be based upon the pro rata share of the  
21 individual's earnings from the partnership, limited liability  
22 company, S corporation, estate, or trust.

23 d. Any tax credit in excess of the taxpayer's tax liability  
24 for the tax year is not refundable, but the taxpayer may  
25 elect to have the excess credited to the tax liability for  
26 the following four tax years or until depleted, whichever is  
27 earlier.

28 2. a. To claim a tax credit under this section, the  
29 taxpayer shall apply to the department for a tax credit  
30 certificate. After verifying the eligibility of a taxpayer for  
31 a tax credit pursuant to this section, the department shall  
32 issue a tax credit certificate to be attached to the taxpayer's  
33 tax return. The tax credit certificate shall be issued on  
34 a first-come, first-served basis based upon the date of the  
35 application and shall contain the taxpayer's name, address,

1 tax identification number, the amount of the credit, the  
2 certificate expiration date, and any other information required  
3 by the department.

4 *b.* To claim a tax credit under this section, a taxpayer must  
5 attach one or more tax credit certificates to the taxpayer's  
6 tax return. The tax credit certificate or certificates  
7 attached to the taxpayer's tax return shall be issued in the  
8 taxpayer's name, and the expiration date on the certificate  
9 shall be a date that falls on or after the last day of the  
10 taxable year for which the taxpayer is claiming the tax credit.

11 *c.* The tax credit certificate, unless otherwise void,  
12 shall be accepted by the department as payment toward the  
13 tax liability of the taxpayer, subject to any conditions or  
14 restrictions placed by the department upon the face of the  
15 tax credit certificate and subject to the limitations of this  
16 section.

17 *d.* Tax credit certificates issued under this section are not  
18 transferable to any person or entity.

19 3. A deduction pursuant to section 170 of the Internal  
20 Revenue Code for the amount of the contribution eligible for  
21 the tax credit is not allowed for state tax purposes.

22 4. The maximum amount of tax credits issued in a fiscal  
23 year pursuant to this section, section 422.33, subsection 29,  
24 section 422.60, subsection 15, section 432.12M, and section  
25 533.329, subsection 2, paragraph "n", shall not exceed ten  
26 million dollars.

27 Sec. 2. Section 422.33, Code Supplement 2009, is amended by  
28 adding the following new subsection:

29 NEW SUBSECTION. 29. The taxes imposed under this division  
30 shall be reduced by a regenerative medicine research tax credit  
31 in the same manner, for the same amount, and under the same  
32 conditions as provided in section 422.11Y.

33 Sec. 3. Section 422.60, Code Supplement 2009, is amended by  
34 adding the following new subsection:

35 NEW SUBSECTION. 15. The taxes imposed under this division

1 shall be reduced by a regenerative medicine research tax credit  
2 in the same manner, for the same amount, and under the same  
3 conditions as provided in section 422.11Y.

4 Sec. 4. NEW SECTION. 432.12M **Regenerative medicine research**  
5 **tax credit.**

6 The taxes imposed under this chapter shall be reduced by a  
7 regenerative medicine research tax credit in the same manner,  
8 for the same amount, and under the same conditions as provided  
9 in section 422.11Y.

10 Sec. 5. Section 533.329, subsection 2, Code Supplement  
11 2009, is amended by adding the following new paragraph:

12 NEW PARAGRAPH. n. The moneys and credits tax imposed  
13 under this section shall be reduced by a regenerative medicine  
14 research tax credit in the same manner, for the same amount,  
15 and under the same conditions as provided in section 422.11Y.

16 Sec. 6. **RETROACTIVE APPLICABILITY.** This Act applies  
17 retroactively to January 1, 2010, for tax years beginning on  
18 or after that date.

19 EXPLANATION

20 This bill provides a credit against the individual or  
21 corporate income tax, the franchise tax, the insurance  
22 premiums tax, and the moneys and credits tax for 20 percent  
23 of a taxpayer's contribution to a regenerative medicine  
24 research institution located in the state. Generally,  
25 such contributions are tax deductible under current federal  
26 and state law, and taking a deduction for the contribution  
27 precludes the taxpayer from claiming the credit.

28 The tax credit is not refundable but, at the taxpayer's  
29 election, may be credited to the taxpayer's tax liability for  
30 up to four subsequent tax years or until depletion, whichever  
31 is earlier. The tax credits are not transferable. The maximum  
32 amount of tax credits is limited to \$10 million in any one  
33 fiscal year. The department of revenue approves the tax  
34 credits and issues the tax credit certificates to taxpayers.

35 The bill applies retroactively to January 1, 2010, for tax

H.F. 2349

1 years beginning on or after that date.