

House File 2511 - Introduced

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BY BAILEY

A BILL FOR

1 An Act relating to the repayment under certain circumstances
2 of tax credits received for increasing research activities
3 in the state and including effective date and retroactive
4 applicability provisions.

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

1 Section 1. NEW SECTION. 422.10A Repayment of tax credits.

2 1. A taxpayer meeting the conditions described in
3 subsection 2 shall repay the amount of any tax credits received
4 in the prior tax year under any of the following:

- 5 a. Section 15.335.
- 6 b. Section 15A.9, subsection 8.
- 7 c. Section 422.10.
- 8 d. Section 422.33, subsection 5.

9 2. A taxpayer is subject to subsection 1 if all of the
10 following conditions exist:

11 a. The taxpayer is a business operating in the state
12 currently and during the prior tax year.

13 b. The taxpayer has relocated more than half of the
14 full-time equivalent positions based in this state during the
15 prior tax year to a foreign country. For purposes of this
16 subsection, "*full-time equivalent position*" means the same as
17 defined in section 15G.101.

18 3. A taxpayer meeting the conditions of subsection 2 is
19 ineligible to receive the tax credits described in subsection 1
20 for a period of three tax years beginning with the tax year in
21 which the taxpayer was first subject to repayment.

22 Sec. 2. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
23 APPLICABILITY. This Act, being deemed of immediate importance,
24 takes effect upon enactment and applies retroactively to
25 January 1, 2010, for tax years beginning on or after that date.

26 EXPLANATION

27 This bill requires a business that has received a research
28 activities tax credit to repay the amount of that credit if the
29 business relocates more than half of its full-time equivalent
30 positions to a foreign country. The bill also prohibits such a
31 business from receiving a research activities tax credit for
32 three tax years.

33 The bill takes effect upon enactment and applies
34 retroactively to January 1, 2010, for tax years beginning on
35 or after that date.