

House File 804 - Introduced

HOUSE FILE _____
BY FORD

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 2594HH 83
4 mg/sc/24

PAG LIN

1 1 Section 1. NEW SECTION. 432.12M 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 credits as provided in section
1 7 422.11A and section 422.33, subsection 6. An industry which
1 8 has entered into an agreement under chapter 260E and which has
1 9 increased its base employment level by at least ten percent
1 10 within the time set in the agreement or, in the case of an
1 11 industry without a base employment level, adds new jobs within
1 12 the time set in the agreement is entitled to an insurance
1 13 industry new jobs tax credit for the tax year selected by the
1 14 industry. In determining if the industry has increased its
1 15 base employment level by ten percent or added new jobs, only
1 16 those new jobs directly resulting from the project covered by
1 17 the agreement and those directly related to those new jobs
1 18 shall be counted.
1 19 2. The amount of the credit is equal to the product of six
1 20 percent of the taxable wages upon which an employer is
1 21 required to contribute to the unemployment compensation
1 22 administration fund, as defined in section 96.19, times the
1 23 number of new jobs existing in the tax year that directly
1 24 result from the project covered by the agreement and new jobs
1 25 that directly result from those new jobs. The tax year chosen
1 26 by the industry shall either begin or end during the period
1 27 beginning with the date of the agreement and ending with the
1 28 date by which the project is to be completed under the
1 29 agreement. Any credit in excess of the tax liability for the
1 30 tax year may be credited to the tax liability for the
1 31 following ten tax years or until depleted, whichever is
1 32 earlier. An insurance industry new jobs tax credit may only
1 33 be claimed once for each new qualifying job. For purposes of
1 34 this section, "agreement", "industry", "new job", and
1 35 "project" mean the same as defined in section 260E.2, and
2 1 "base employment level" means the number of full-time jobs an
2 2 industry employs at the plant site which is covered by an
2 3 agreement under chapter 260E on the date of that agreement.
2 4 The insurance industry new jobs tax credit may only be claimed
2 5 by an industry entering into an agreement under chapter 260E
2 6 on or after July 1, 2009, that makes a good faith effort to
2 7 recruit minority persons, as defined in section 15.102,
2 8 subsection 7, for a portion of the new jobs created under the
2 9 agreement.

EXPLANATION

2 10 This bill creates an insurance industry new jobs tax
2 11 credit.
2 12 The bill provides that the tax on insurance premiums shall
2 13 be reduced by an insurance industry new jobs tax credit. The
2 14 insurance industry new jobs tax credit is in lieu of, and not
2 15 in addition to, the new jobs tax credits allowed against
2 16 personal and corporate income tax liabilities. The bill
2 17 provides that an industry which has entered into an industrial
2 18 new jobs agreement under Code chapter 260E and which has
2 19 increased its base employment level by at least 10 percent
2 20 within the time set in the agreement or, in the case of an
2 21

2 22 industry without a base employment level, adds new jobs within
2 23 the time set in the agreement is entitled to the insurance
2 24 industry new jobs tax credit for the tax year selected by the
2 25 industry.

2 26 The bill provides that the amount of the tax credit is
2 27 equal to the product of 6 percent of the taxable wages upon
2 28 which an employer is required to contribute to the state
2 29 unemployment compensation administration fund times the number
2 30 of new jobs existing in the tax year that directly result from
2 31 the project covered by the agreement and new jobs that
2 32 directly result from those new jobs. The bill allows any
2 33 credit in excess of the tax liability for the tax year to be
2 34 credited to the tax liability for the following 10 tax years
2 35 or until depleted, whichever is earlier.

3 1 The bill provides that an insurance industry new jobs tax
3 2 credit may only be claimed once for each new qualifying job.
3 3 The bill provides that an insurance industry new jobs tax
3 4 credit may only be claimed by an industry entering into an
3 5 agreement under Code chapter 260E on or after July 1, 2009,
3 6 that makes a good faith effort to recruit minority persons for
3 7 a portion of the new jobs created under the agreement.

3 8 LSB 2594HH 83

3 9 mg/sc/24.1