

# Senate File 223 - Introduced

SENATE FILE \_\_\_\_\_  
BY DANIELSON

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

## A BILL FOR

1 An Act providing an income tax credit for certain contributions  
2 to postsecondary education institutions and including a  
3 retroactive applicability date provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 1824SS 83  
6 tw/mg:sc/5

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1 1 Section 1. NEW SECTION. 422.11X POSTSECONDARY EDUCATION  
1 2 INSTITUTION DEFERRED MAINTENANCE TAX CREDIT.  
1 3 1. a. The taxes imposed under this division, less the  
1 4 credits allowed under section 422.12, shall be reduced by a  
1 5 postsecondary education institution deferred maintenance tax  
1 6 credit.  
1 7 b. The credit shall be in an amount equal to fifty percent  
1 8 of a taxpayer's contribution to deferred maintenance projects  
1 9 at a two-year or four-year college or university located in  
1 10 the state.  
1 11 c. For purposes of this section, "deferred maintenance  
1 12 project" means the maintenance, repair, reconstruction,  
1 13 remodeling, or rehabilitation of a building, structure, or  
1 14 facility located on the campus of a two-year or four-year  
1 15 college or university located in the state, the progress or  
1 16 completion of which has been deferred or delayed. "Deferred  
1 17 maintenance project" includes any improvements to a building,  
1 18 structure, or facility that are necessary to comply with the  
1 19 requirements of the federal Americans With Disabilities Act or  
1 20 other federal or state law.  
1 21 d. An individual may claim a tax credit under this  
1 22 subsection of a partnership, limited liability company, S  
1 23 corporation, estate, or trust electing to have income taxed  
1 24 directly to the individual. The amount claimed by the  
1 25 individual shall be based upon the pro rata share of the  
1 26 individual's earnings from the partnership, limited liability  
1 27 company, S corporation, estate, or trust.  
1 28 e. Any tax credit in excess of the taxpayer's tax  
1 29 liability for the tax year is refundable, but the taxpayer may  
1 30 elect to have the excess credited to the tax liability for the  
1 31 following four tax years or until depleted, whichever is  
1 32 earlier.  
1 33 2. a. To claim a tax credit under this section, the  
1 34 taxpayer shall apply to the department for a tax credit  
1 35 certificate. After verifying the eligibility of a taxpayer  
2 1 for a tax credit pursuant to this section, the department  
2 2 shall issue a tax credit certificate to be attached to the  
2 3 taxpayer's tax return. The tax credit certificate shall be  
2 4 issued based upon the date of the application and shall  
2 5 contain the taxpayer's name, address, tax identification  
2 6 number, the amount of the credit, and any other information  
2 7 required by the department.  
2 8 b. To claim a tax credit under this section, a taxpayer  
2 9 must attach one or more tax credit certificates to the  
2 10 taxpayer's tax return. The tax credit certificate or  
2 11 certificates attached to the taxpayer's tax return shall be  
2 12 issued in the taxpayer's name, and the expiration date on the  
2 13 certificate shall be a date that falls on or after the last  
2 14 day of the taxable year for which the taxpayer is claiming the  
2 15 tax credit.  
2 16 c. The tax credit certificate, unless otherwise void,  
2 17 shall be accepted by the department as payment toward the tax

2 18 liability of the taxpayer, subject to any conditions or  
2 19 restrictions placed by the department upon the face of the tax  
2 20 credit certificate and subject to the limitations of this  
2 21 section.

2 22 d. Tax credit certificates issued under this section are  
2 23 not transferable to any person or entity.

2 24 3. The maximum amount of tax credits issued in a fiscal  
2 25 year pursuant to this section shall not exceed ten million  
2 26 dollars.

2 27 4. This section is repealed January 1, 2014.

2 28 Sec. 2. Section 422.33, Code 2009, is amended by adding  
2 29 the following new subsection:

2 30 NEW SUBSECTION. 27. The taxes imposed under this division  
2 31 shall be reduced by a postsecondary education institution  
2 32 deferred maintenance tax credit in the same manner, for the  
2 33 same amount, and under the same conditions as provided in  
2 34 section 422.11X.

2 35 Sec. 3. Section 422.60, Code 2009, is amended by adding  
3 1 the following new subsection:

3 2 NEW SUBSECTION. 15. The taxes imposed under this division  
3 3 shall be reduced by a postsecondary education institution  
3 4 deferred maintenance tax credit in the same manner, for the  
3 5 same amount, and under the same conditions as provided in  
3 6 section 422.11X.

3 7 Sec. 4. NEW SECTION. 432.12M POSTSECONDARY EDUCATION  
3 8 INSTITUTION DEFERRED MAINTENANCE TAX CREDIT.

3 9 The taxes imposed under this chapter shall be reduced by a  
3 10 postsecondary education institution deferred maintenance tax  
3 11 credit in the same manner, for the same amount, and under the  
3 12 same conditions as provided in section 422.11X.

3 13 Sec. 5. Section 533.329, subsection 2, Code 2009, is  
3 14 amended by adding the following new paragraph:

3 15 NEW PARAGRAPH. n. The moneys and credits tax imposed  
3 16 under this section shall be reduced by a postsecondary  
3 17 education institution deferred maintenance tax credit in the  
3 18 same manner, for the same amount, and under the same  
3 19 conditions as provided in section 422.11X.

3 20 Sec. 6. RETROACTIVE APPLICABILITY. This Act applies  
3 21 retroactively to January 1, 2009, for tax years beginning on  
3 22 or after January 1, 2009, and ending before January 1, 2014.

3 23 EXPLANATION

3 24 This bill provides a credit against the individual or  
3 25 corporate income tax, the franchise tax, and the moneys and  
3 26 credits tax for 50 percent of a taxpayer's contribution to  
3 27 deferred maintenance projects at a two-year or four-year  
3 28 college or university located in the state. Generally, such  
3 29 contributions are tax deductible under current federal and  
3 30 state law, and claiming the credit does not preclude the donor  
3 31 from taking a deduction for the contribution.

3 32 The credit is available for tax years beginning on or after  
3 33 January 1, 2009, and ending before January 1, 2014.

3 34 The tax credit is refundable or, at the taxpayer's  
3 35 election, may be credited until depletion to the taxpayer's  
4 1 tax liability for up to four subsequent tax years. The tax  
4 2 credits are not transferable. The maximum amount of tax  
4 3 credits is limited to \$10 million in any one fiscal year. The  
4 4 department of revenue approves the tax credits and issues the  
4 5 tax credit certificates to taxpayers.

4 6 The bill takes effect upon enactment and applies  
4 7 retroactively to January 1, 2009, for tax years beginning on  
4 8 or after that date and ending before January 1, 2014.

4 9 LSB 1824SS 83

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