

Senate Study Bill 3179 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act limiting the amount of research activities tax credit
2 that is refundable and including retroactive applicability
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.335, subsection 5, Code Supplement
2 2009, is amended to read as follows:

3 5. Any credit in excess of the tax liability for the taxable
4 year shall be refunded with interest computed under section
5 422.25. The amount of tax credit that may be refunded pursuant
6 to this subsection and section 15A.9, subsection 8, section
7 422.10, and section 422.33, subsection 5, shall not exceed
8 two hundred fifty thousand dollars per taxpayer per year. In
9 lieu of claiming a refund, a taxpayer may elect to have the
10 overpayment shown on its final, completed return credited to
11 the tax liability for the following year.

12 Sec. 2. Section 15A.9, subsection 8, paragraph d, Code
13 Supplement 2009, is amended to read as follows:

14 d. Any credit in excess of the tax liability for the tax
15 year shall be refunded with interest computed under section
16 422.25. The amount of tax credit that may be refunded pursuant
17 to this paragraph and section 15.335 shall not exceed two
18 hundred fifty thousand dollars per taxpayer per year. In lieu
19 of claiming a refund, the primary business or a supporting
20 business may elect to have the overpayment shown on its final
21 return credited to its tax liability for the following tax
22 year.

23 Sec. 3. Section 422.10, subsection 4, Code Supplement 2009,
24 is amended to read as follows:

25 4. Any credit in excess of the tax liability imposed by
26 section 422.5 less the amounts of nonrefundable credits allowed
27 under this division for the taxable year shall be refunded
28 with interest computed under section 422.25. The amount of
29 tax credit that may be refunded pursuant to this subsection
30 and section 15.335 shall not exceed two hundred fifty thousand
31 dollars per taxpayer per year. In lieu of claiming a refund,
32 a taxpayer may elect to have the overpayment shown on the
33 taxpayer's final, completed return credited to the tax
34 liability for the following taxable year.

1 Sec. 4. Section 422.33, subsection 5, paragraph e, Code

2 Supplement 2009, is amended to read as follows:

3 e. Any credit in excess of the tax liability for the
4 taxable year shall be refunded with interest computed under
5 section 422.25. The amount of tax credit that may be refunded
6 pursuant to this paragraph and section 15.335 shall not exceed
7 two hundred fifty thousand dollars per taxpayer per year. In
8 lieu of claiming a refund, a taxpayer may elect to have the
9 overpayment shown on its final, completed return credited to
10 the tax liability for the following taxable year.

11 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies
12 retroactively to January 1, 2010, for tax years beginning on
13 or after that date.

14 EXPLANATION

15 This bill limits the amount of research activities tax
16 credit that is refundable to \$250,000 per taxpayer per year.
17 This limitation includes the individual and corporate research
18 activities tax credits, the supplemental research activities
19 tax credit in Code section 15.335, and the quality jobs
20 enterprise zone research activities tax credit in Code section
21 15A.9.

22 The bill applies retroactively to January 1, 2010, for tax
23 years beginning on or after that date.