

House Study Bill 222 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SANDS)

A BILL FOR

1 An Act increasing the maximum aggregate amount of tax credits
2 that may be issued under the fund of funds program.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15E.66, subsection 1, Code 2011, is
2 amended to read as follows:

3 1. The board may issue certificates and related tax credits
4 to designated investors which, if redeemed for the maximum
5 possible amount, shall not exceed a total aggregate of ~~sixty~~
6 one hundred twenty-five million dollars of tax credits.
7 The certificates shall be issued contemporaneously with a
8 commitment to invest in the Iowa fund of funds by a designated
9 investor. A certificate issued by the board shall have a
10 specific maturity date or dates designated by the board and
11 shall be redeemable only in accordance with the contingencies
12 reflected on the certificate or incorporated therein by
13 reference. A certificate and the related tax credit shall be
14 transferable by the designated investor. A tax credit shall
15 not be claimed or redeemed except by a designated investor or
16 transferee in accordance with the terms of a certificate from
17 the board. A tax credit shall not be claimed for a tax year
18 that begins earlier than the maturity date or dates stated
19 on the certificate. An individual may claim the credit of a
20 partnership, limited liability company, S corporation, estate,
21 or trust electing to have the income taxed directly to the
22 individual. The amount claimed by the individual shall be
23 based upon the pro rata share of the individual's earnings from
24 the partnership, limited liability company, S corporation,
25 estate, or trust. Any tax credit in excess of the taxpayer's
26 tax liability for the tax year may be credited to the tax
27 liability for the following seven years, or until depleted,
28 whichever is earlier.

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EXPLANATION

30 In 2010, the maximum aggregate amount of tax credits that
31 could be redeemed under the fund of funds program was reduced
32 from \$100 million to \$60 million. This bill increases the
33 maximum to \$125 million.