

House File 301 - Introduced

HOUSE FILE 301

BY RUNNING-MARQUARDT

A BILL FOR

1 An Act relating to the historic preservation and cultural and
2 entertainment district tax credit by modifying the total
3 amount of tax credits that may be issued and the allocation
4 of the tax credits for a certain time period, and amending
5 the qualifications for certain projects.

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

1 Section 1. Section 404A.4, subsection 2, paragraph d, Code
2 2013, is amended to read as follows:

3 *d.* For the fiscal year beginning July 1, 2012, ~~and for each~~
4 ~~fiscal year thereafter,~~ the office shall reserve not more than
5 forty-five million dollars worth of tax credits for any one
6 taxable year.

7 Sec. 2. Section 404A.4, subsection 2, Code 2013, is amended
8 by adding the following new paragraphs:

9 NEW PARAGRAPH. *e.* For fiscal years beginning on or after
10 July 1, 2013, but before July 1, 2015, the office shall reserve
11 not more than fifty-five million dollars worth of tax credits
12 for any one taxable year.

13 NEW PARAGRAPH. *f.* For the fiscal year beginning July 1,
14 2015, and for each fiscal year thereafter, the office shall
15 reserve not more than forty-five million dollars worth of tax
16 credits for any one taxable year.

17 Sec. 3. Section 404A.4, subsection 4, paragraph a, Code
18 2013, is amended to read as follows:

19 *a.* The total amount of tax credits that may be approved for
20 a fiscal year prior to the fiscal year beginning July 1, 2012,
21 under this chapter shall not exceed fifty million dollars.
22 The total amount of tax credits that may be approved for a
23 the fiscal year beginning on ~~or after~~ July 1, 2012, shall not
24 exceed forty-five million dollars. The total amount of tax
25 credits that may be approved for fiscal years beginning on or
26 after July 1, 2013, but before July 1, 2015, shall not exceed
27 fifty-five million dollars. The total amount of tax credits
28 that may be approved for a fiscal year beginning on or after
29 July 1, 2015, shall not exceed forty-five million dollars.

30 Sec. 4. Section 404A.4, subsection 4, paragraph b,
31 subparagraphs (1) through (5), Code 2013, are amended to read
32 as follows:

33 (1) Ten percent of the dollar amount of tax credits shall
34 be allocated for purposes of new projects with final qualified
35 rehabilitation costs of ~~five hundred thousand~~ one million

1 dollars or less. However, for each fiscal year beginning on
2 or after July 1, 2013, but before July 1, 2015, four million
3 seven hundred thousand dollars shall be allocated for purposes
4 of this subparagraph.

5 (2) Thirty percent of the dollar amount of tax credits
6 shall be allocated for purposes of new projects located in
7 cultural and entertainment districts certified pursuant to
8 section 303.3B or identified in Iowa great places agreements
9 developed pursuant to section 303.3C. However, for each fiscal
10 year beginning on or after July 1, 2013, but before July 1,
11 2015, fourteen million one hundred thousand dollars shall be
12 allocated for purposes of this subparagraph.

13 (3) Twenty percent of the dollar amount of tax credits shall
14 be allocated for disaster recovery projects. However, for each
15 fiscal year beginning on or after July 1, 2013, but before
16 July 1, 2015, seventeen million four hundred thousand dollars
17 shall be allocated for purposes of this subparagraph. For
18 purposes of this subparagraph, "*disaster recovery project*" means
19 a property meeting the requirements of an eligible property as
20 described in section 404A.1, subsection 2, which is located
21 in an area declared a disaster area by the governor or by a
22 federal official and which has been physically impacted as a
23 result of a natural disaster.

24 (4) Twenty percent of the dollar amount of the tax credits
25 shall be allocated for projects that involve the creation of
26 more than five hundred new permanent jobs. However, for each
27 fiscal year beginning on or after July 1, 2013, but before
28 July 1, 2015, nine million four hundred thousand dollars shall
29 be allocated for purposes of this subparagraph. A taxpayer
30 receiving a tax credit certificate for a project under this
31 allocation shall provide information documenting the creation
32 of the jobs to the state historic preservation office and to
33 the economic development authority. The jobs shall be created
34 within two years of the date a tax credit certificate is
35 issued. The economic development authority shall verify the

1 creation of the jobs. The amount of any tax credits received
2 is subject to recapture by the department of revenue if the
3 jobs are not created within two years. The state historic
4 preservation office and the economic development authority may
5 adopt rules for the implementation of this subparagraph. The
6 rules shall provide for a method or form that allows a city or
7 county to track the number of jobs created in the construction
8 industry by the project.

9 (5) Twenty percent of the dollar amount of the tax credits
10 shall be allocated for any eligible project. However, for each
11 fiscal year beginning on or after July 1, 2013, but before July
12 1, 2015, nine million four hundred thousand dollars shall be
13 allocated for purposes of this subparagraph.

14 EXPLANATION

15 This bill increases the amount of the historic preservation
16 and cultural and entertainment district tax credit and amends
17 the allocation of the tax credits for a certain time period,
18 and amends the requirements for certain projects under the tax
19 credit.

20 Under current law, not more than \$45 million in tax credits
21 may be approved for a fiscal year and reserved for any one
22 taxable year. The bill increases this amount to \$55 million
23 for fiscal year 2013-2014 and fiscal year 2014-2015. For
24 fiscal year 2015-2016, and for each fiscal year thereafter, the
25 total amount is \$45 million.

26 Also under current law, the total amount of tax credits are
27 required to be allocated among various projects as follows:
28 10 percent (\$4.5 million) to projects with \$500,000 or less
29 of qualified rehabilitation costs; 30 percent (\$13.5 million)
30 to projects located in certified cultural and entertainment
31 districts; 20 percent (\$9 million) to disaster recovery
32 projects; 20 percent (\$9 million) to projects involving the
33 creation of more than 500 new permanent jobs; and 20 percent
34 (\$9 million) for any eligible project. The bill amends
35 the allocation of \$55 million for fiscal year 2013-2014

1 and fiscal year 2014-2015 to be as follows: \$4.7 million
2 (approximately 8.54 percent of the \$55 million) to projects
3 with \$500,000 or less of qualified rehabilitation costs; \$14.1
4 million (approximately 25.64 percent) to projects located in
5 certified cultural and entertainment districts; \$17.4 million
6 (approximately 31.64 percent) to disaster recovery projects;
7 \$9.4 million (approximately 17.09 percent) to projects
8 involving the creation of more than 500 new permanent jobs; and
9 \$9.4 million (approximately 17.09 percent) for any eligible
10 project. For fiscal year 2015-2016, and for each fiscal year
11 thereafter, the allocation amounts return to the current
12 percentage levels.

13 The bill permanently increases to \$1 million from \$500,000
14 the amount of qualified rehabilitation costs that a project
15 must have in order to qualify as an eligible project under the
16 10 percent small project allocation category.