

Senate File 2287 - Introduced

SENATE FILE 2287

BY BOWMAN

A BILL FOR

1 An Act related to the high quality jobs program by allowing
2 additional tax incentives for businesses locating in
3 specified areas, and including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.335A, subsection 1, unnumbered
2 paragraph 1, Code 2018, is amended to read as follows:

3 Tax incentives are available to eligible businesses as
4 provided in this section. The incentives under this subsection
5 are based upon the number of jobs created or retained that pay
6 at least one hundred twenty percent of the qualifying wage
7 threshold and the amount of the qualifying investment made
8 according to the following schedule:

9 Sec. 2. Section 15.335A, Code 2018, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 1A. a. In addition to the tax incentives
12 available under subsection 1, an additional investment tax
13 credit of up to two percent is available to an eligible
14 business that locates in a city or an unincorporated area
15 located in this state that has a population of less than or
16 equal to seven thousand, as determined under the latest federal
17 decennial census.

18 b. This subsection is repealed June 30, 2025.

19 Sec. 3. ADDITIONAL INVESTMENT TAX CREDIT — EFFECTIVENESS
20 STUDY.

21 1. The authority shall conduct a study regarding the
22 effectiveness of the additional investment tax credit
23 established pursuant to section 15.335A, subsection 1A, by
24 comparing the five-year period immediately preceding the
25 effective date of this Act to the five-year period immediately
26 following the effective date of this Act, and identifying all
27 of the following for each eligible business:

28 a. The size of the business.

29 b. The number of jobs created.

30 c. The average wage of all jobs created.

31 d. How long the business has been located in the city or
32 unincorporated area.

33 e. Any measurable economic impact on the city or
34 unincorporated area attributable to the location of an eligible
35 business.

1 f. The percentage of additional investment tax credit the
2 business received pursuant to section 15.335A, subsection 1A.

3 2. The authority shall submit a report including findings
4 and recommendations for increasing the number of eligible
5 businesses that locate in a city or unincorporated area that
6 has a population of seven thousand or less to the governor and
7 the general assembly no later than January 1, 2024.

8 Sec. 4. APPLICABILITY. This Act applies to an eligible
9 business that receives a tax incentive under section 15.335A on
10 or after July 1, 2018.

11

EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill relates to tax incentives under the high quality
15 job program for eligible businesses that locate in cities or
16 unincorporated areas in the state that are under a specified
17 population level.

18 The bill permits the economic development authority to
19 award an additional investment tax credit of up to 2 percent
20 to an eligible business that locates in a city or in an
21 unincorporated area located in this state that has a population
22 of 7,000 or less.

23 The bill requires the authority to conduct a study regarding
24 the effectiveness of the additional investment tax credit
25 by comparing the five-year period immediately prior to the
26 availability of the additional investment tax credit to the
27 five-year period immediately following the availability of
28 the tax credit, and identifying specific metrics for each
29 eligible business that located in a city or unincorporated
30 area with a population of 7,000 or less during that time
31 period. These metrics include the size of the business, the
32 number of jobs created, the average wage of the jobs, how long
33 the business has been located in the area, the percentage of
34 additional tax credit the business received, and any measurable
35 economic impact on the community that can be attributed to the

1 business. The authority must submit a report with findings and
2 recommendations to the governor and general assembly no later
3 than January 1, 2024.

4 The bill provides for the repeal of the additional
5 investment tax credit effective June 30, 2025.

6 The bill applies to an eligible business that receives a tax
7 incentive under Code section 15.335A on or after July 1, 2018.