

Senate File 2406 - Introduced

SENATE FILE 2406

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2152)

A BILL FOR

1 An Act relating to the transferability of investment tax
2 credits issued to eligible housing businesses under the
3 enterprise zone program, including effective date and
4 retroactive applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. 2014 Iowa Acts, chapter 1130, section 27, is
2 amended to read as follows:

3 SEC. 27. INVESTMENT TAX CREDITS ISSUED TO ELIGIBLE
4 HOUSING BUSINESSES UNDER THE ENTERPRISE ZONE PROGRAM —
5 TRANSFERABILITY. Notwithstanding the requirement in section
6 15E.193B, subsection 8, Code 2014, that not more than three
7 million dollars worth of tax credits for housing developments
8 located in a brownfield site or a blighted area shall be
9 eligible for transfer in a calendar year unless the eligible
10 housing business is also eligible for low-income housing tax
11 credits authorized under section 42 of the Internal Revenue
12 Code, and notwithstanding the requirement in section 15E.193B,
13 subsection 8, Code 2014, that the economic development
14 authority shall not approve more than one million five hundred
15 thousand dollars in tax credit certificates for transfer to
16 any one eligible housing business located on a brownfield
17 site or in a blighted area in a calendar year, all investment
18 tax credits determined under [section 15E.193B, subsection 6,](#)
19 [paragraph "a",](#) Code 2014, for housing developments located on
20 a brownfield site or in a blighted area may be approved by the
21 economic development authority for transfer in calendar year
22 2014, or any subsequent calendar year, provided the eligible
23 housing business was awarded the investment tax credit before
24 the effective date of this section of this division of this Act
25 and notifies the economic development authority, in writing,
26 before July 1, 2014, of its intent to transfer such tax
27 credits, or provided the eligible housing business was awarded
28 the investment tax credit before July 1, 2015, for a housing
29 development located in a blighted area and in a county with
30 a total population of less than fifty thousand as determined
31 by the most recent federal decennial census, and submits a
32 written request for approval to transfer such tax credits to
33 the economic development authority before October 31, 2017,
34 and provided the eligible housing business and the related
35 housing development meet all other applicable requirements

1 under [section 15E.193B, Code 2014](#). Notwithstanding any other
2 provision of law to the contrary, a tax credit transferred
3 pursuant to this section shall not be claimed by a transferee
4 prior to January 1, 2016.

5 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate
6 importance, takes effect upon enactment.

7 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
8 retroactively to May 30, 2014.

9

EXPLANATION

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

12 This bill relates to the transferability of tax credits
13 issued to housing businesses under the enterprise zone program,
14 which the general assembly repealed in 2014. Investment tax
15 credits issued under that prior program were transferable for
16 housing developments located on brownfield sites or in blighted
17 areas, but the economic development authority (authority)
18 could only approve a maximum of \$3 million worth of credits
19 for transfer each calendar year, and no more than \$1.5 million
20 could be transferred to any one housing development during
21 each calendar year. Prior law provided an exception to
22 these transfer restrictions for certain housing developments,
23 allowing any amount of the tax credits to be transferred during
24 a calendar year.

25 The bill provides another exception to the tax credit
26 transfer restrictions described above. The bill provides that
27 the full amount of tax credits awarded to an eligible housing
28 business before July 1, 2015, may be transferred during a
29 calendar year provided the housing development is located in a
30 blighted area and in a county with a total population of less
31 than 50,000, and provided the housing business submitted a
32 written request to the authority seeking approval to transfer
33 the tax credits prior to October 31, 2017.

34 The bill takes effect upon enactment and applies
35 retroactively to May 30, 2014.