

**House File 2065 - Introduced**

HOUSE FILE 2065

BY BRINK, KERR, MAXWELL,  
THORUP, WILLS, BACON,  
MITCHELL, PAUSTIAN, BAXTER,  
SEXTON, KAUFMANN, HUSEMAN,  
DOLECHECK, SORENSEN,  
THOMPSON, JENEARY, GERHOLD,  
OSMUNDSON, HITE, KLEIN,  
GUSTAFSON, SHIPLEY,  
BEST, CARLSON, MOORE,  
BLOOMINGDALE, and A. MEYER

**A BILL FOR**

1 An Act relating to certain tax credits and assistance awarded  
2 by the economic development authority under the high quality  
3 jobs program to eligible businesses, including those in  
4 rural communities, and including effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.327, Code 2020, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 27. "*Rural community*" means any city  
4 located in this state with a population of thirty thousand  
5 or less in a county with a population of fifty thousand or  
6 less. A rural community located in more than one county shall  
7 be considered to be located in the county having the greatest  
8 taxable base within the city.

9 Sec. 2. Section 15.335A, subsection 1, unnumbered paragraph  
10 1, Code 2020, is amended to read as follows:

11 Tax incentives are available to eligible businesses as  
12 provided in this section subsection and subsection 1A. The  
13 incentives are based upon the number of jobs created or  
14 retained that pay at least one hundred twenty percent of the  
15 qualifying wage threshold and the amount of the qualifying  
16 investment made according to the following schedule:

17 Sec. 3. Section 15.335A, Code 2020, is amended by adding the  
18 following new subsection:

19 NEW SUBSECTION. 1A. Tax incentives are available to  
20 eligible businesses located in rural communities as provided  
21 in this subsection. The incentives are based upon the number  
22 of jobs created or retained that pay at least one hundred ten  
23 percent of the qualifying wage threshold and the amount of the  
24 qualifying investment made according to the following schedule:

25 a. The number of jobs is zero and economic activity is  
26 furthered by the qualifying investment and the amount of the  
27 qualifying investment is one of the following:

28 (1) Less than fifty thousand dollars, then the tax incentive  
29 is the investment tax credit of up to two percent.

30 (2) At least fifty thousand dollars but less than two  
31 hundred fifty thousand dollars, then the tax incentives are the  
32 investment tax credit of up to two percent and the sales tax  
33 refund.

34 (3) At least two hundred fifty thousand dollars, then the  
35 tax incentives are the investment tax credit of up to two

1 percent, the sales tax refund, and the additional research and  
2 development tax credit.

3 *b.* The number of jobs is one but not more than five and the  
4 amount of the qualifying investment is one of the following:

5 (1) Less than fifty thousand dollars, then the tax incentive  
6 is the investment tax credit of up to three percent.

7 (2) At least fifty thousand dollars but less than two  
8 hundred fifty thousand dollars, then the tax incentives are the  
9 investment tax credit of up to three percent and the sales tax  
10 refund.

11 (3) At least two hundred fifty thousand dollars, then the  
12 tax incentives are the investment tax credit of up to three  
13 percent, the sales tax refund, and the additional research and  
14 development tax credit.

15 *c.* The number of jobs is six but not more than ten and the  
16 amount of the qualifying investment is one of the following:

17 (1) Less than fifty thousand dollars, then the tax incentive  
18 is the investment tax credit of up to four percent.

19 (2) At least fifty thousand dollars but less than two  
20 hundred fifty thousand dollars, then the tax incentives are the  
21 investment tax credit of up to four percent and the sales tax  
22 refund.

23 (3) At least two hundred fifty thousand dollars, then the  
24 tax incentives are the investment tax credit of up to four  
25 percent, the sales tax refund, and the additional research and  
26 development tax credit.

27 *d.* The number of jobs is eleven but not more than fifteen  
28 and the amount of the qualifying investment is one of the  
29 following:

30 (1) Less than fifty thousand dollars, then the tax incentive  
31 is the investment tax credit of up to five percent.

32 (2) At least fifty thousand dollars but less than two  
33 hundred fifty thousand dollars, then the tax incentives are the  
34 investment tax credit of up to five percent and the sales tax  
35 refund.

1       (3) At least two hundred fifty thousand dollars, then the  
2 tax incentives are the investment tax credit of up to five  
3 percent, the sales tax refund, and the additional research and  
4 development tax credit.

5       *e.* The number of jobs is sixteen or more and the amount of  
6 the qualifying investment is one of the following:

7       (1) Less than fifty thousand dollars, then the tax incentive  
8 is the investment tax credit of up to six percent.

9       (2) At least fifty thousand dollars but less than two  
10 hundred fifty thousand dollars, then the tax incentives are the  
11 investment tax credit of up to six percent and the sales tax  
12 refund.

13       (3) At least two hundred fifty thousand dollars, then the  
14 tax incentives are the investment tax credit of up to six  
15 percent, the sales tax refund, and the additional research and  
16 development tax credit.

17       *f.* The number of jobs is thirty-one but not more than forty  
18 and the amount of the qualifying investment is at least five  
19 million dollars, then the tax incentives are the local property  
20 tax exemption, the investment tax credit of up to seven  
21 percent, the sales tax refund, and the additional research and  
22 development tax credit.

23       *g.* The number of jobs is forty-one but not more than sixty  
24 and the amount of the qualifying investment is at least five  
25 million dollars, then the tax incentives are the local property  
26 tax exemption, the investment tax credit of up to eight  
27 percent, the sales tax refund, and the additional research and  
28 development tax credit.

29       *h.* The number of jobs is sixty-one but not more than  
30 eighty and the amount of the qualifying investment is at least  
31 five million dollars, then the tax incentives are the local  
32 property tax exemption, the investment tax credit of up to nine  
33 percent, the sales tax refund, and the additional research and  
34 development tax credit.

35       *i.* The number of jobs is eighty-one but not more than one

1 hundred and the amount of the qualifying investment is at least  
2 five million dollars, then the tax incentives are the local  
3 property tax exemption, the investment tax credit of up to ten  
4 percent, the sales tax refund, and the additional research and  
5 development tax credit.

6 *j.* The number of jobs is at least one hundred one and the  
7 amount of the qualifying investment is at least ten million  
8 dollars, then the tax incentives are the local property  
9 tax exemption, the investment tax credit of up to eleven  
10 percent, the sales tax refund, and the additional research and  
11 development tax credit.

12 Sec. 4. Section 15.335B, subsection 3, paragraph c, Code  
13 2020, is amended to read as follows:

14 *c.* (1) Consider the amount and type of the local community  
15 match.—~~The~~ as follows:

16 (a) In a community with a population of less than five  
17 thousand a community match shall not be required.

18 (b) In a community with a population equal to or greater  
19 than five thousand, but less than fifteen thousand, a community  
20 match of at least five percent of the projected funds to be  
21 expended by the eligible business shall be required.

22 (c) In a community with a population equal to or greater  
23 than fifteen thousand, but less than thirty thousand, a  
24 community match of at least ten percent of the projected funds  
25 to be expended by the eligible business shall be required.

26 (d) In a community with a population equal to or greater  
27 than thirty thousand a community match of at least twenty  
28 percent of the projected funds to be expended by the eligible  
29 business shall be required.

30 (2) Notwithstanding subparagraph (1), the authority may  
31 provide assistance to an early-stage business in a high-growth  
32 industry regardless of the amount of local match involved.

33 Sec. 5. NEW SECTION. 15.337A Rules.

34 The authority shall adopt rules pursuant to chapter 17A to  
35 administer this part.

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

3                                   EXPLANATION

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

6     This bill relates to certain tax credits and assistance  
7 awarded under the high quality jobs program by the economic  
8 development authority to eligible businesses, including those  
9 in rural communities.

10    The bill provides for tax incentives for eligible businesses  
11 in rural communities. "Rural community" is defined in the bill  
12 as a city located in this state with a population of 30,000 or  
13 less in a county with a population of 50,000 or less. If the  
14 rural community is located in more than one county, the rural  
15 community is considered to be located in the county that has  
16 the greatest taxable base within the city. The tax incentives  
17 are based upon the number of jobs created or retained that pay  
18 at least 110 percent of the qualifying wage threshold and the  
19 amount of the qualifying investment. The tax incentives are  
20 based upon a schedule as detailed in the bill.

21    The bill also details the requirements for a community  
22 match, based on the size of the community, in order for an  
23 eligible business to be awarded assistance by the authority  
24 from the fund created in Code section 15.335B.

25    The bill directs the authority to adopt rules to administer  
26 the high quality jobs program.

27    The bill takes effect upon enactment.