

**House File 238 - Introduced**

HOUSE FILE 238

BY JACOBY

**A BILL FOR**

1 An Act creating a legislative tax credit review committee as a  
2 committee of the legislative council.

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

1 Section 1. Section 2.45, Code 2019, is amended by adding the  
2 following new subsection:

3 NEW SUBSECTION. 5A. *a.* The legislative tax credit review  
4 committee which shall be composed of ten members of the general  
5 assembly, consisting of five members from each house, to be  
6 appointed by the legislative council. In appointing the five  
7 members of each house to the committee, the council shall  
8 appoint three members from the majority party and two members  
9 from the minority party.

10 *b.* The legislative tax credit review committee shall have  
11 the powers and duties described in section 2.49.

12 Sec. 2. NEW SECTION. 2.49 **Legislative tax credit review**  
13 **committee.**

14 1. *Duties of committee.* The legislative tax credit review  
15 committee shall do all of the following:

16 *a.* Evaluate each tax credit listed in subsection 3 according  
17 to the guidelines set forth in subsection 2 and assess its  
18 equity, simplicity, competitiveness, public purpose, adequacy,  
19 and extent of conformance with the original purpose of the  
20 legislation that enacted the tax credit, as those issues  
21 pertain to taxation in Iowa. For purposes of this section, "*tax*  
22 *credit*" includes any tax credit or other tax incentive listed in  
23 subsection 3 or provided under a program listed in subsection  
24 3.

25 *b.* For each tax credit reviewed, the committee shall submit  
26 a report to the legislative council containing the results  
27 of the review. The report shall contain a statement of the  
28 policy goals of the tax credit and shall attempt to calculate a  
29 return on investment for each tax credit, unless the committee  
30 determines such a calculation is not within the capabilities  
31 of the committee. For purposes of this paragraph, "*return*  
32 *on investment*" means the net value, if any, provided to the  
33 state by a tax credit after analyzing the cost to the state  
34 against the benefit realized by the state of offering that  
35 particular tax credit. The report may include recommendations

1 for better aligning tax credits with the original intent of  
2 the legislation or with the changing circumstances of the  
3 state, or recommendations for the imposition of a limitation  
4 on a specified tax credit, a limit on the total amount of tax  
5 credits, or any other recommendation for a specific tax credit  
6 or the program under which the tax credit is provided.

7     2. *Public meetings.*

8     a. The committee shall conduct reviews of each tax credit  
9 listed in subsection 3 using a public meeting format that  
10 invites substantial and meaningful input and comment from both  
11 subject matter experts and the general public.

12     b. Each year, the committee shall conduct at least one  
13 public meeting for each tax credit reviewed, and no more  
14 than one tax credit shall be reviewed at each meeting. The  
15 committee shall designate a time and place for a public  
16 meeting and provide public notice at least five days prior to  
17 a meeting.

18     3. *Schedule of review of tax credits.* The committee shall  
19 review the following tax credits according to the following  
20 schedule:

21     a. In each even-numbered year:

22         (1) The accelerated career education program job credit  
23 allowed under section 260G.4A.

24         (2) The assistive device tax credit allowed under section  
25 422.33.

26         (3) The endow Iowa tax credit allowed under section 15E.305.

27         (4) The high quality jobs program under chapter 15,  
28 subchapter II, part 13.

29         (5) The redevelopment tax credit allowed under section  
30 15.293A.

31         (6) The renewable energy tax credit allowed under chapter  
32 476C.

33         (7) The solar energy system tax credit allowed under  
34 sections 422.11L and 422.33.

35         (8) The tax credit for investments in a qualifying business

1 under chapter 15E, subchapter V.

2 (9) The wind energy production tax credit allowed under  
3 chapter 476B.

4 (10) The adoption tax credit allowed under section 422.12A.

5 (11) The charitable conservation contribution tax credit  
6 allowed under sections 422.11W and 422.33.

7 (12) The E-15 plus gasoline promotion tax credit allowed  
8 under sections 422.11Y and 422.33.

9 (13) The ethanol promotion tax credit allowed under  
10 sections 422.11N and 422.33.

11 (14) The industrial new jobs training program under chapter  
12 260E.

13 *b.* In each odd-numbered year:

14 (1) The agricultural assets transfer tax credit allowed  
15 under section 16.80.

16 (2) The historic preservation tax credit allowed under  
17 chapter 404A.

18 (3) The renewable chemical production tax credit under  
19 sections 15.315 through 15.322.

20 (4) The school tuition organization tax credit allowed  
21 under section 422.11S and 422.33.

22 (5) The innovation fund investment tax credit allowed under  
23 section 15E.52.

24 (6) The workforce housing tax incentives program under  
25 sections 15.351 through 15.356.

26 (7) The biodiesel blended fuel tax credit allowed under  
27 sections 422.11P and 422.33.

28 (8) The child and dependent care tax credit allowed under  
29 section 422.12C.

30 (9) The E-85 gasoline promotion tax credit allowed under  
31 sections 422.110 and 422.33.

32 (10) The earned income tax credit allowed under section  
33 422.12B.

34 (11) The farm to food donation tax credit allowed under  
35 chapter 190B.

1 (12) The research activities tax credits allowed under  
2 sections 15.335, 422.10, and 422.33.

3 (13) The tuition and textbook tax credit allowed under  
4 section 422.12.

5 (14) The volunteer firefighter and emergency medical  
6 services personnel and reserve peace officer tax credits  
7 allowed under section 422.12.

8 EXPLANATION

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

11 This bill creates a legislative tax credit review committee  
12 (committee) as part of the legislative council to review  
13 specified tax credits. The committee shall be composed of 10  
14 members of the general assembly appointed by the legislative  
15 council, consisting of five from each house, three from each  
16 majority party, and two from the minority party.

17 The committee is charged with evaluating a specified  
18 list of tax credits and incentives listed in the bill each  
19 even-numbered and odd-numbered year, so that the full list  
20 is reviewed every two years. The tax credit review list  
21 contains the tax credits and incentives listed in the most  
22 recent tax credits contingent liabilities report published by  
23 the department of revenue and not previously repealed by the  
24 general assembly.

25 The committee is required to review tax credits and  
26 incentives using a public meeting format that invites  
27 substantial and meaningful input and comment from both  
28 subject matter experts and the general public. Each year, the  
29 committee is required to conduct at least one public meeting  
30 for each tax credit or incentive reviewed, and no more than  
31 one tax credit or incentive shall be reviewed at each meeting.  
32 Public notice of the time and place must be provided at least  
33 five days prior to each meeting.

34 In reviewing tax credits and incentives, the committee  
35 is required to make certain assessments as described in the

1 bill and to produce reports containing certain information as  
2 described in the bill.