

House Study Bill 670 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED ECONOMIC
DEVELOPMENT AUTHORITY BILL)

A BILL FOR

1 An Act relating to certain tax incentive and tax credit
2 programs administered by the economic development authority
3 and including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.353, subsection 3, Code 2020, is
2 amended to read as follows:

3 3. ~~a. Except as provided in paragraph "b", the~~ The average
4 dwelling unit cost does not exceed two hundred thousand dollars
5 per dwelling unit an amount determined by the authority by
6 rule. In determining the average dwelling unit cost the
7 authority shall consider, at a minimum, building material
8 costs, labor costs, land or property acquisition costs, and
9 site development costs.

10 ~~b. (1) The average dwelling unit cost does not exceed~~
11 ~~two hundred fifty thousand dollars per dwelling unit if the~~
12 ~~project involves the rehabilitation, repair, redevelopment,~~
13 ~~or preservation of property described in section 404A.1,~~
14 ~~subsection 8, paragraph "a".~~

15 ~~(2) The average dwelling unit cost for the project does not~~
16 ~~exceed two hundred fifteen thousand dollars per dwelling unit~~
17 ~~if the project is located in a small city.~~

18 Sec. 2. Section 15.354, subsection 3, paragraph d, Code
19 2020, is amended to read as follows:

20 ~~d. Upon completion of a housing project, a housing business~~
21 ~~shall submit all of the following to the authority:~~

22 ~~(1) an~~ An examination of the project in accordance with the
23 American institute of certified public accountants' statements
24 on standards for attestation engagements, completed by a
25 certified public accountant authorized to practice in this
26 state, shall be submitted to the authority.

27 ~~(2) A statement of the final amount of qualifying new~~
28 ~~investment for the housing project.~~

29 ~~(3) Any information the authority deems necessary to ensure~~
30 ~~compliance with the agreement signed by the housing business~~
31 ~~pursuant to paragraph "a", the requirements of this part, and~~
32 ~~the rules the authority and the department of revenue adopt~~
33 ~~pursuant to section 15.356.~~

34 Sec. 3. Section 15.354, subsection 3, paragraph e,
35 subparagraph (1), Code 2020, is amended to read as follows:

1 (1) Upon review of the examination, ~~and~~ verification of
2 the amount of the qualifying new investment, and review of
3 any other information submitted pursuant to paragraph "d",
4 subparagraph (3), the authority may notify the housing business
5 of the amount that the housing business may claim as a refund
6 of the sales and use tax under [section 15.355, subsection 2,](#)
7 and may issue a tax credit certificate to the housing business
8 stating the amount of workforce housing investment tax credits
9 under [section 15.355, subsection 3,](#) the eligible housing
10 business may claim. The sum of the amount that the housing
11 business may claim as a refund of the sales and use tax and
12 the amount of the tax credit certificate shall not exceed the
13 amount of the tax incentive award.

14 Sec. 4. Section 15.355, subsection 2, Code 2020, is amended
15 to read as follows:

16 2. A housing business may claim a refund of the sales and
17 use taxes paid under [chapter 423](#) that are directly related to
18 a housing project and specified in the agreement. The refund
19 available pursuant to [this subsection](#) shall be as provided in
20 [section 15.331A,](#) excluding [subsection 2,](#) paragraph "c", of
21 that section. For purposes of the program, the term "*project*
22 *completion*", as used in [section 15.331A,](#) shall mean the date
23 on which the authority notifies the department of revenue that
24 all applicable requirements of ~~an~~ the agreement entered into
25 pursuant to [section 15.354,](#) subsection 3, paragraph "a", and
26 all applicable requirements of this part, including the rules
27 the authority and the department of revenue adopted pursuant to
28 section 15.356, are satisfied.

29 Sec. 5. Section 404A.1, subsection 8, Code 2020, is amended
30 by adding the following new paragraph:

31 NEW PARAGRAPH. *d.* The property is not a homeowner-occupied
32 residential property or a residential property occupied as a
33 personal residence by an applicant to the program.

34 Sec. 6. APPLICABILITY. This Act applies to projects for
35 which an application is submitted to the workforce housing tax

1 incentives program pursuant to chapter 15, part 17, or to the
2 historic preservation tax credit program pursuant to chapter
3 404A, on or after the effective date of this Act.

4 EXPLANATION

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

7 This bill relates to certain tax incentive and tax credit
8 programs administered by the economic development authority.
9 Current law requires that to be eligible for the workforce
10 housing tax incentive program (program) the average dwelling
11 unit cost must not exceed \$200,000, subject to certain
12 exceptions, for a proposed housing project (project). The
13 bill amends that requirement to allow the economic development
14 authority (authority) to determine by rule the average dwelling
15 unit cost that is eligible for the program. In determining
16 the average dwelling unit cost, the authority is required to
17 consider, at a minimum, building material costs, labor costs,
18 land or property acquisition costs, and site development costs.
19 Current law requires that upon completion of a project, a
20 housing business (business) must submit an examination of the
21 project in accordance with the American institute of certified
22 public accountants' statements on standards for attestation
23 engagements completed by a certified public accountant
24 authorized to practice in this state. The bill requires that
25 in addition to the examination, the business must submit a
26 statement of the final amount of qualifying new investment for
27 the project and any information the authority deems necessary
28 to ensure the business's compliance with the program.
29 The bill amends the historic preservation tax credit program
30 (preservation program) to make homeowner-occupied residential
31 property and residential property occupied as a personal
32 residence ineligible for the preservation program.
33 The bill applies to projects for which an application is
34 submitted to the program, or to the preservation program, on or
35 after the effective date of the bill.