

**House File 36 - Introduced**

HOUSE FILE 36

BY HUNTER

**A BILL FOR**

1 An Act providing for the future repeal of certain tax credits.

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

DIVISION I

FUTURE REPEAL OF EXISTING TAX CREDITS

Section 1. NEW SECTION. 15.293C **Future repeal.**

Sections 15.293A and 15.293B are repealed on January 1, 2027.

Sec. 2. Section 15.322, Code 2021, is amended to read as follows:

**15.322 Future repeal.**

Section 15.315, 15.316, 15.317, 15.318, 15.319, 15.320, 15.321, and this section, are repealed ~~July 1, 2030~~ January 1, 2027.

Sec. 3. NEW SECTION. 15.337 **Future repeal.**

Sections 15.331A, 15.331C, 15.333, 15.333A, and 15.335, are repealed January 1, 2027.

Sec. 4. Section 15A.7, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 5. This section is repealed on January 1, 2027.

Sec. 5. NEW SECTION. 15E.47 **Future repeal.**

Sections 15E.41, 15E.42, 15E.43, 15E.44, 15E.46, and this section are repealed January 1, 2027.

Sec. 6. Section 15E.52, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 14. This section is repealed on January 1, 2027.

Sec. 7. Section 16.81, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 9. This section is repealed on January 1, 2027.

Sec. 8. Section 260E.5, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 7. This section is repealed on January 1, 2027.

Sec. 9. Section 260G.4A, Code 2021, is amended by adding the following new subsection:

1 NEW SUBSECTION. 7. This section is repealed on January 1,  
2 2027.

3 Sec. 10. Section 403.19A, Code 2021, is amended by adding  
4 the following new subsection:

5 NEW SUBSECTION. 4. This section is repealed on January 1,  
6 2027.

7 Sec. 11. Section 422.10, Code 2021, is amended by adding the  
8 following new subsection:

9 NEW SUBSECTION. 7. This section is repealed on January 1,  
10 2027.

11 Sec. 12. Section 422.10B, Code 2021, is amended to read as  
12 follows:

13 **422.10B Renewable chemical production tax credit.**

14 The taxes imposed under [this subchapter](#), less the credits  
15 allowed under [section 422.12](#), shall be reduced by a renewable  
16 chemical production tax credit allowed under [section 15.319](#).  
17 This section is repealed January 1, ~~2033~~ 2027.

18 Sec. 13. Section 422.11L, Code 2021, is amended by adding  
19 the following new subsection:

20 NEW SUBSECTION. 7. This section is repealed on January 1,  
21 2027.

22 Sec. 14. Section 422.11S, Code 2021, is amended by adding  
23 the following new subsection:

24 NEW SUBSECTION. 10. This section is repealed on January 1,  
25 2027.

26 Sec. 15. Section 422.11W, Code 2021, is amended by adding  
27 the following new subsection:

28 NEW SUBSECTION. 5. This section is repealed on January 1,  
29 2027.

30 Sec. 16. Section 422.33, subsection 5, Code 2021, is amended  
31 by adding the following new paragraph:

32 NEW PARAGRAPH. *j*. This subsection is repealed on January  
33 1, 2027.

34 Sec. 17. Section 422.33, subsection 9, Code 2021, is amended  
35 by adding the following new paragraph:

1 NEW PARAGRAPH. *d.* This subsection is repealed on January  
2 1, 2027.

3 Sec. 18. Section 422.33, subsection 25, Code 2021, is  
4 amended by adding the following new paragraph:

5 NEW PARAGRAPH. *d.* This subsection is repealed on January  
6 1, 2027.

7 Sec. 19. NEW SECTION. **476B.11 Future repeal.**

8 This chapter is repealed effective January 1, 2027.

9 Sec. 20. NEW SECTION. **476C.8 Future repeal.**

10 This chapter is repealed effective January 1, 2027.

11 Sec. 21. PRESERVATION OF EXISTING RIGHTS.

12 1. This division of this Act is not intended to and shall  
13 not limit, modify, or otherwise adversely affect any amount  
14 of tax credit issued, awarded, or allowed prior to January 1,  
15 2027, nor shall it limit, modify, or otherwise adversely affect  
16 a taxpayer's right to claim or redeem a tax credit issued,  
17 awarded, or allowed prior to January 1, 2027, including but not  
18 limited to any tax credit carryforward amount.

19 2. The repeal of a provision of law pursuant to this  
20 division of this Act shall not constitute grounds for  
21 rescission or modification of agreements entered into under  
22 those provisions of law, if any. Any agreement entered into  
23 prior to January 1, 2027, under a provision of law repealed  
24 in this division of this Act, shall remain in effect until  
25 it expires under its own terms, and shall be governed by the  
26 applicable provisions of law as they existed immediately prior  
27 to January 1, 2027.

28 Sec. 22. CORRESPONDING AMENDMENTS LEGISLATION. Additional  
29 legislation is required to fully implement this division of  
30 this Act. The director of the department of revenue shall, in  
31 compliance with section 2.16, prepare draft legislation for  
32 submission to the legislative services agency, as necessary, to  
33 implement the repeal of the tax credits under this division of  
34 this Act and under other provisions of law.

35

DIVISION II

FUTURE REPEAL OF FUTURE TAX CREDIT PROGRAMS

Sec. 23. NEW SECTION. 422.3A Future tax credit repeal.

1. For purposes of this section, "tax credit program" means any provision of law enacted by the general assembly that provides for an amount of money against the taxes imposed in this chapter, chapter 432, or in section 533.329.

2. Notwithstanding any other provision of law to the contrary, any tax credit program enacted by the general assembly that takes effect on or after January 1, 2022, is repealed on January 1 of the sixth year following the effective date of the tax credit program, unless another provision of the Code provides for an earlier repeal date.

3. The repeal of a tax credit program pursuant to subsection 2 is not intended to and shall not limit, modify, or otherwise adversely affect any amount of tax credit issued, awarded, or allowed prior to the effective date of the tax credit program repeal pursuant to subsection 2, nor shall it limit, modify, or otherwise adversely affect a taxpayer's right to claim or redeem a tax credit issued, awarded, or allowed prior to the effective date of the tax credit program repeal pursuant to subsection 2, including but not limited to any tax credit carryforward amount.

4. The repeal of a tax credit program pursuant to subsection 2 shall not constitute grounds for rescission or modification of agreements entered into under the tax credit program, if any. Any agreement entered into under a tax credit program prior to the effective date of the repeal of the tax credit program under subsection 2 shall remain in effect until it expires under its own terms, and shall be governed by the tax credit program as it existed prior to its repeal pursuant to subsection 2.

EXPLANATION

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

This bill provides for the future repeal of certain existing

1 state income tax credits, and provides for the future repeal of  
2 tax credits enacted by the general assembly in the future.

3 DIVISION I — FUTURE REPEAL OF EXISTING TAX CREDITS.

4 Division I repeals on January 1, 2027, the following tax  
5 credits that currently have no repeal date: the accelerated  
6 career education program job tax credit; the beginning farmer  
7 tax credit; the assistive device corporate tax credit; the  
8 sales and use tax refund, corporate tax credit for certain  
9 sales taxes paid by third-party developers, investment tax  
10 credit, insurance premiums tax credit, and supplemental  
11 research activities tax credit available under the high quality  
12 jobs program; the redevelopment tax credits; the school tuition  
13 organization tax credit; the solar energy system tax credit;  
14 the innovation fund investment tax credit; the tax credit  
15 for investments in a qualifying business; the wind energy  
16 production tax credit; the charitable conservation contribution  
17 tax credit; the new jobs credits from withholding available  
18 under the Iowa industrial new job training program; the  
19 research activities credits; the renewable energy tax credit;  
20 and the targeted jobs withholding tax credit.

21 The bill amends the repeal date of the renewable chemical  
22 production tax credit from January 1, 2033, to January 1, 2027.

23 The bill provides that the repeal of a tax credit shall  
24 not affect tax credits issued, awarded, or allowed prior to  
25 January 1, 2027, or affect a taxpayer's ability to claim or  
26 redeem such tax credits, including but not limited to any tax  
27 credit carryforward amount, and further provides that the bill  
28 shall not constitute grounds for rescission or modification  
29 of agreements entered into for a tax credit, and that such  
30 agreements shall remain in effect until they expire under their  
31 own terms and shall be governed by the applicable provisions of  
32 law as they existed immediately prior to January 1, 2027.

33 The bill provides that additional legislation is required to  
34 fully implement the repeal of these tax credits and requires  
35 the director of the department of revenue to prepare draft

1 legislation in compliance with Code section 2.16 for submission  
2 to the legislative services agency to implement the repeal of  
3 the tax credits.

4     DIVISION II — FUTURE REPEAL OF FUTURE TAX CREDIT PROGRAMS.  
5 Division II provides that any tax credit program available  
6 against the individual or corporate income tax, the franchise  
7 tax, the insurance premiums tax, or the moneys and credits tax,  
8 enacted by the general assembly on or after January 1, 2022,  
9 is repealed after five years, unless another provision of law  
10 provides for an earlier repeal date.

11     The bill provides that the repeal of a tax credit program  
12 pursuant to this provision shall not affect the tax credits or  
13 tax credit agreements entered into prior to the repeal of the  
14 tax credit program in the same manner as described above for  
15 the repeal of the existing tax credits.