

Senate File 94 - Introduced

SENATE FILE 94

BY ZAUN

A BILL FOR

1 An Act creating a Hoover presidential library tax credit
2 available against the individual and corporate income taxes,
3 the franchise tax, the insurance premiums tax, and the
4 moneys and credit tax.

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

1 Section 1. NEW SECTION. 15E.364 Hoover presidential library
2 tax credit.

3 1. For tax years beginning on or after January 1, 2021, but
4 before January 1, 2024, a tax credit shall be allowed against
5 the taxes imposed in chapter 422, subchapters II, III, and V,
6 and in chapter 432, and against the moneys and credits tax
7 imposed in section 533.329, equal to twenty-five percent of a
8 person's donation to the Hoover presidential foundation for
9 the Hoover presidential library and museum renovation project
10 fund. An individual may claim a tax credit under this section
11 of a partnership, limited liability company, S corporation,
12 estate, or trust electing to have income taxed directly to
13 the individual. The amount claimed by the individual shall
14 be based upon the pro rata share of the individual's earnings
15 from the partnership, limited liability company, S corporation,
16 estate, or trust.

17 2. The amount of the donation for which the tax credit is
18 claimed shall not be deductible in determining taxable income
19 for state income tax purposes.

20 3. Any tax credit in excess of the person's tax liability
21 for the tax year may be credited to the tax liability for the
22 following five years or until depleted, whichever occurs first.
23 A tax credit shall not be carried back to a tax year prior to
24 the tax year in which the person claims the tax credit.

25 4. *a.* The aggregate amount of tax credits authorized
26 pursuant to this section shall not exceed a total of five
27 million dollars.

28 *b.* The maximum amount of tax credits granted to a person
29 shall not exceed five percent of the aggregate amount of tax
30 credits authorized.

31 *c.* Ten percent of the aggregate amount of tax credits
32 authorized shall be reserved for those donations in amounts
33 of thirty thousand dollars or less. If any portion of the
34 reserved tax credits have not been distributed by September 1,
35 2023, the remaining reserved tax credits shall be available to

1 any other eligible person.

2 5. The tax credit shall not be transferable to any other
3 person.

4 6. The authority shall develop a system for authorization
5 of tax credits under this section and shall control the
6 distribution of all tax credits to persons providing a
7 donation subject to this section. The authority shall
8 adopt administrative rules pursuant to chapter 17A for the
9 qualification and administration of the donations made pursuant
10 to this section.

11 7. This section is repealed December 31, 2029.

12 Sec. 2. NEW SECTION. 422.11T Hoover presidential library
13 tax credit.

14 The tax imposed under this subchapter, less the credits
15 allowed under section 422.12, shall be reduced by Hoover
16 presidential library tax credit authorized pursuant to section
17 15E.364.

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

20 NEW SUBSECTION. 31. The taxes imposed under this subchapter
21 shall be reduced by a Hoover presidential library tax credit
22 allowed under section 15E.364.

23 Sec. 4. Section 422.60, Code 2021, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 14. The taxes imposed under this subchapter
26 shall be reduced by a Hoover presidential library tax credit
27 allowed under section 15E.364.

28 Sec. 5. NEW SECTION. 432.12N Hoover presidential library
29 tax credit.

30 The taxes imposed under this chapter shall be reduced by a
31 Hoover presidential library tax credit allowed under section
32 15E.364.

33 Sec. 6. Section 533.329, subsection 2, Code 2021, is amended
34 by adding the following new paragraph:

35 NEW PARAGRAPH. 1. The moneys and credits tax imposed under

1 this section shall be reduced by a Hoover presidential library
2 tax credit allowed under section 15E.364.

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 creates a Hoover presidential library tax credit
7 available against the individual, corporate, franchise,
8 insurance premium, and moneys and credits taxes.

9 The amount of the credit shall equal 25 percent of a person's
10 donation to the Hoover presidential foundation for the Hoover
11 presidential library and museum renovation project fund, an
12 organization exempt from federal taxation.

13 The bill specifies that the amount of the donation for which
14 the tax credit is claimed shall not be deductible for state
15 income tax purposes.

16 A credit provided in the bill in excess of tax liability is
17 not refundable but the excess for the tax year may be credited
18 to a person's tax liability for the following five years or
19 until depleted, whichever occurs first. The tax credit shall
20 not be carried back to a tax year prior to the tax year in which
21 the person claims the tax credit.

22 The aggregate amount of tax credits authorized pursuant to
23 the bill shall not exceed \$5 million.

24 The maximum amount of tax credits granted to a person shall
25 not exceed five percent of the aggregate amount of tax credits
26 authorized under the bill.

27 The bill provides that 10 percent of the aggregate amount of
28 tax credits authorized shall be reserved for those donations
29 in amounts of \$30,000 or less. If any portion of the reserved
30 tax credits have not been distributed by September 1, 2023, the
31 remaining reserved tax credits shall be available to any other
32 eligible person.

33 The bill prohibits the transfer of the credit to any other
34 person.

35 The bill requires the economic development authority

1 to develop a system for authorization of tax credits and
2 shall control the distribution of all tax credits to persons
3 providing a donation subject to this Code section.

4 The bill applies to tax years beginning on or after January
5 1, 2021, but before January 1, 2024.

6 The tax credit is repealed December 31, 2029, to account for
7 the carryforward of any excess credit that may be credited to
8 the person's tax liability for up to five years.