

**House File 2418 - Introduced**

HOUSE FILE 2418

BY JACOBY

**A BILL FOR**

1 An Act creating a legislative tax expenditure committee to  
2 review certain tax expenditures prior to repeal or that are  
3 otherwise ending.

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

1 Section 1. Section 2.45, Code 2024, is amended by adding the  
2 following new subsection:

3 NEW SUBSECTION. 4A. *a.* The legislative tax expenditure  
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 expenditure committee shall have the  
11 powers and duties described in section 2.48, subsection 5.

12 Sec. 2. Section 2.48, Code 2024, is amended by adding the  
13 following new subsection:

14 NEW SUBSECTION. 5. *a.* The legislative tax expenditure  
15 committee shall do a review of the tax expenditures listed in  
16 subsection 3, and the following tax expenditures one year prior  
17 to any repeal or otherwise ending of that tax expenditure if  
18 possible under the circumstances:

19 (1) Geothermal heat pump tax credit under section 422.12N.

20 (2) Volunteer fire fighter, volunteer emergency medical  
21 services personnel, and reserve peace officer tax credit under  
22 section 422.12.

23 (3) Workforce housing tax incentives under section 15.355.

24 (4) Enterprise zones program administered pursuant to  
25 sections 15E.191 through 15E.197, Code 2014.

26 (5) Accelerated career education program under chapter  
27 260G, in coordination with the community colleges.

28 (6) Adoption tax credit under section 422.12A.

29 (7) Investment in qualifying businesses tax credit under  
30 chapter 15E, subchapter V.

31 (8) E-15 plus gasoline promotion tax credit under section  
32 422.11Y.

33 (9) Employer child care tax credit under section 237A.31.

34 (10) Farm to food donation tax credit under chapter 190B,  
35 subchapter I.

1 (11) Hoover presidential library tax credit under section  
2 15E.364.

3 b. In reviewing the tax expenditures program subject to  
4 repeal or otherwise ending, the review shall encompass the  
5 reasons for the repeal or ending of the program balanced with  
6 the equity, simplicity, competitiveness, and public purpose  
7 of the legislation that enacted the tax expenditure, as those  
8 issues pertain to taxation in Iowa.

9 c. For a tax expenditure reviewed pursuant to this  
10 subsection, the committee shall submit a report to the  
11 legislative council containing the results of the review. The  
12 report shall contain a statement of the purpose of the repeal  
13 or ending of the program balanced with the policy goals of the  
14 tax expenditure and a return on investment calculation for  
15 the tax expenditure. For purposes of this paragraph, "*return*  
16 *on investment calculation*" means analyzing the cost to the  
17 state of providing the tax expenditure, analyzing the benefits  
18 realized by the state from providing the tax expenditure, and  
19 reaching a conclusion as to whether the benefits of the tax  
20 expenditure are worth the cost to the state of providing the  
21 tax expenditure. The report may make a recommendation relating  
22 to the reviewed tax expenditure.

23

EXPLANATION

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

26 This bill creates a legislative tax expenditure committee to  
27 review certain tax expenditures prior to repeal or otherwise  
28 ending.

29 The bill creates a legislative tax expenditure committee  
30 (committee) as a committee of the legislative council which  
31 shall be composed of 10 members of the general assembly,  
32 consisting of five members from each house, to be appointed  
33 by the legislative council. In appointing the five members  
34 of each house to the committee, the council shall appoint  
35 three members from the majority party and two members from the

1 minority party.

2 The purpose of the committee is to review a tax expenditure  
3 prior to any repeal or otherwise ending of that tax expenditure  
4 program if possible under the circumstances. The bill requires  
5 such a review of tax expenditures in Code section 2.48(3), and  
6 of other tax expenditures listed in the bill.

7 The bill requires the committee to submit a report to the  
8 legislative council containing the results of the review. The  
9 report may make a recommendation relating to the reviewed tax  
10 expenditure.