

**House File 2660 - Introduced**

HOUSE FILE 2660

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 727)

**A BILL FOR**

1 An Act relating to eligibility for claiming the research  
2 activities tax credit available against the individual  
3 and corporate income tax, and including retroactive  
4 applicability provisions.

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

1 Section 1. Section 422.10, subsection 1, paragraph a,  
2 subparagraph (1), subparagraph division (b), subparagraph  
3 subdivision (i), Code 2024, is amended to read as follows:

4 (i) (A) A person engaged in agricultural production  
5 as defined in section 423.1, except a person conducting  
6 agriscience research as defined in subparagraph part (B) shall  
7 not be considered to be engaged in agricultural production as  
8 defined in section 423.1.

9 (B) As used in this subparagraph subdivision, "agriscience  
10 research" means research conducted in this state in the areas  
11 of animal science, veterinary medicine, nutritional science,  
12 or genetic science that is intended to improve the scientific  
13 knowledge base, or to increase innovation, performance, or  
14 viability within this state, and the results of such research  
15 are evaluated for statistical relevance, and when appropriate  
16 the research results are published in a journal, magazine,  
17 or similar periodical or submitted for publication in such a  
18 periodical, and the research is relied upon within the industry  
19 that may benefit from the research.

20 Sec. 2. Section 422.33, subsection 5, paragraph e,  
21 subparagraph (1), subparagraph division (b), subparagraph  
22 subdivision (i), Code 2024, is amended to read as follows:

23 (i) (A) A person engaged in agricultural production  
24 as defined in section 423.1, except a person conducting  
25 agriscience research as defined in subparagraph part (B) shall  
26 not be considered to be engaged in agricultural production as  
27 defined in section 423.1.

28 (B) As used in this subparagraph subdivision, "agriscience  
29 research" means research conducted in this state in the areas  
30 of animal science, veterinary medicine, nutritional science,  
31 or genetic science that is intended to improve the scientific  
32 knowledge base, or to increase innovation, performance, or  
33 viability within this state, and the results of such research  
34 are evaluated for statistical relevance, and when appropriate  
35 the research results are published in a journal, magazine,

1 or similar periodical or submitted for publication in such a  
2 periodical, and the research is relied upon within the industry  
3 that may benefit from the research.

4 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies  
5 retroactively to January 1, 2017, for tax years beginning on  
6 or after that date.

7 EXPLANATION

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

10 This bill relates to eligibility for claiming the research  
11 activities tax credit available against the individual and  
12 corporate income tax.

13 Under current law, a person engaged in agricultural  
14 production as defined in Code section 423.1(5), is not eligible  
15 for claiming the research activities tax credit. However,  
16 the bill specifies a person conducting agriscience research  
17 is eligible to claim the research activities tax credit and  
18 is not considered agricultural production for purposes of the  
19 tax credit. The calculation of the tax credit is based upon  
20 increasing research activities in the state and is refundable.

21 The bill defines "agriscience research".

22 The bill applies retroactively to January 1, 2017, for tax  
23 years beginning on or after that date.