

House File 419 - Introduced

HOUSE FILE 419

BY RINKER

A BILL FOR

1 An Act relating to the endow Iowa tax credit available against
2 the individual and corporate income taxes, the franchise
3 tax, the insurance premiums tax, and the moneys and
4 credits tax, and including effective date and applicability
5 provisions.

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

1 Section 1. Section 15E.305, subsection 2, Code 2023, is
2 amended to read as follows:

3 2. a. The aggregate amount of tax credits authorized
4 pursuant to this section shall not exceed a total of six
5 million dollars annually plus any additional amounts authorized
6 pursuant to paragraph "d".

7 ~~a.~~ b. The maximum amount of tax credits granted to a
8 taxpayer shall not exceed one hundred thousand dollars of the
9 aggregate amount of tax credits authorized.

10 ~~b.~~ c. Ten percent of the aggregate amount of tax credits
11 authorized in a calendar year shall be reserved for those
12 endowment gifts in amounts of thirty thousand dollars or less.
13 If by September 1 of a calendar year the entire ten percent of
14 the reserved tax credits is not distributed, the remaining tax
15 credits shall be available to any other eligible applicants.

16 d. If after a taxpayer carries forward a tax credit amount
17 for five years as provided in subsection 1, and the aggregate
18 amount of that tax credit claimed against taxes by the taxpayer
19 under subsection 1 is less than the amount of that tax credit
20 allowed the taxpayer, the difference may be authorized as tax
21 credits by the authority and tax credits equal to the amount of
22 the difference may be added to the annual aggregate amount of
23 tax credits authorized in paragraph "a".

24 Sec. 2. EFFECTIVE DATE. This Act takes effect January 1,
25 2024.

26 Sec. 3. APPLICABILITY. This Act applies to tax years
27 beginning on or after January 1, 2024.

28 EXPLANATION

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

31 This bill relates to the endow Iowa tax credit available
32 against the individual and corporate income taxes, the
33 franchise tax, the insurance premiums tax, and the moneys and
34 credits tax.

35 The endow Iowa tax credit is a tax credit equal to 25 percent

1 of a taxpayer's endowment gift to an endow Iowa qualified
2 community foundation. The tax credit is administered by the
3 Iowa economic development authority (IEDA).

4 Under the bill, if a taxpayer carries forward a tax credit
5 amount for five years as provided in Code section 15E.305(1),
6 and the aggregate amount of that tax credit claimed against
7 taxes by the taxpayer is less than the amount of that tax
8 credit IEDA allowed the taxpayer to claim, the difference may
9 be authorized as tax credits by IEDA and tax credits equal
10 to the amount of the difference may be added to the annual
11 aggregate tax credit amount of \$6 million.

12 The bill takes effect January 1, 2024, and applies to tax
13 years beginning on or after that date.