

House Study Bill 727 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON KAUFMANN)

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.