

**House File 872 - Introduced**

HOUSE FILE 872  
BY COMMITTEE ON ECONOMIC GROWTH  
AND TECHNOLOGY

(SUCCESSOR TO HF 112)

**A BILL FOR**

1 An Act relating to the maximum annual gross income for an  
2 enterprise to qualify as a targeted small business.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 15.102, subsection 12, paragraph a, Code  
2 2025, is amended to read as follows:

- 3 a. "Targeted small business" means ~~a small business~~ any  
4 enterprise which is fifty-one percent or more owned, operated,  
5 and actively managed by one or more women, minority persons,  
6 service-disabled veterans, or persons with a disability provided  
7 the ~~business~~ enterprise meets all of the following requirements:
- 8 (1) Is located in this state.
  - 9 (2) Is operated for profit and under a single management.
  - 10 (3) Has either fewer than twenty employees or an annual gross  
11 income of less than ~~four~~ ten million dollars computed as an  
12 average of the three preceding fiscal years.

13 EXPLANATION

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

16 This bill relates to the maximum annual gross income for an  
17 enterprise to qualify as a targeted small business. Under the  
18 bill, an enterprise must have an annual gross income of less  
19 than \$10 million to qualify as a targeted small business. Under  
20 current law, the maximum is \$4 million.