

**House Study Bill 130 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
ECONOMIC GROWTH AND  
TECHNOLOGY BILL BY  
CHAIRPERSON SORENSEN)

**A BILL FOR**

1 An Act creating the quantum technology tax credit available  
2 against the individual and corporate income taxes, and  
3 including applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **15.381 Quantum technology tax**  
2 **credit.**

3 1. As used in this part, unless the context otherwise  
4 requires:

5 a. "*Consortium*" means a group of entities for profit or  
6 for nonprofit, or both, that are jointly making qualifying  
7 investments in an eligible project to create a shared quantum  
8 facility.

9 b. "*Department*" means the department of revenue.

10 c. "*Eligible project*" means a capital project undertaken in  
11 this state to create a shared quantum facility for which a  
12 qualified applicant makes qualifying investments approved by the  
13 authority.

14 d. "*Qualified applicant*" means a nonprofit or for-profit  
15 entity including a consortium that submits a successful  
16 application to the authority for the reservation or issuance of  
17 tax credits.

18 e. (1) "*Qualifying fixed capital asset*" means any of the  
19 following:

20 (a) Land in this state.

21 (b) Tangible personal property acquired for use exclusively  
22 in this state for which a qualified applicant is allowed  
23 a deduction for depreciation pursuant to section 167 of  
24 the Internal Revenue Code, including furniture, fixtures, and  
25 equipment such as outfitting an office, laboratory machines,  
26 refrigeration, HVAC systems, piping, measuring, monitoring  
27 and instrumentation equipment, and any hardware and software  
28 developed by third parties necessary for quantum technology  
29 applications.

30 (c) Computer software acquired for use exclusively in this  
31 state for which the qualified applicant is allowed a deduction  
32 for depreciation pursuant to section 167 of the Internal Revenue  
33 Code.

34 (2) "*Qualifying fixed capital asset*" is limited to property  
35 acquired, constructed, reconstructed, or erected as part of a

1 coordinated plan to create a shared quantum facility.

2 *f.* "Qualifying investment" means the amount paid by a  
3 qualified applicant to acquire, construct, reconstruct, or erect  
4 qualifying fixed capital assets to the extent such amount is  
5 required to be capitalized pursuant to the Internal Revenue Code  
6 or such amount is allowed to be deducted under section 179 of  
7 the Internal Revenue Code. "Qualifying investment" includes an  
8 amount capitalized by a lessee of qualifying fixed capital assets  
9 for a lease that is treated as a sale for federal income tax  
10 purposes.

11 *g.* "Quantum business" means a private for-profit business or  
12 a nonprofit organization that has quantum technology as a key  
13 part of its business model or organizational purpose, including  
14 but not limited to manufacturing, testing, production, research  
15 and development, or enhancement of hardware or software to  
16 perform or use quantum technology as a key input or output of  
17 its business model, and companies that produce goods for services  
18 that are key inputs for other quantum business.

19 *h.* "Shared quantum facility" means a primary location in  
20 this state where a qualified applicant performs activities and  
21 provides economic benefit related to supporting quantum business  
22 and a quantum ecosystem.

23 2. *a.* An applicant shall submit an application to the  
24 authority in a manner prescribed by the authority for the quantum  
25 technology tax credit. A successful application by a qualified  
26 applicant shall include but not be limited to the following:

27 (1) An eligible project placed in service prior to January 1,  
28 2031.

29 (2) A federal grant from the economic development  
30 administration for the regional technology and innovation program  
31 or from a comparable federal grant program where the applicant  
32 received at least two million dollars in grant funding.

33 *b.* (1) If a qualified applicant is a consortium, the amount  
34 of the credit allowed by the authority shall include the  
35 aggregate qualifying investment by all the members of the

1 consortium.

2 (2) (a) A consortium shall designate and disclose the  
3 representative to act on behalf of the consortium for tax  
4 matters. The representative shall provide the name and taxpayer  
5 identification number of each member of the consortium.

6 (b) The representative is responsible for representing and  
7 binding the consortium with respect to all matters involving  
8 the credit, including submitting the application, representing  
9 the consortium before the authority, notifying the authority the  
10 eligible project has been placed in service, submitting proof of  
11 compliance, and submitting any other information required by the  
12 authority.

13 3. a. Upon review of the application and approval by the  
14 authority to receive the tax credit, the authority shall issue  
15 a tax credit certificate to a qualified business indicating  
16 the amount available to be claimed, or reserve tax credits as  
17 provided in paragraph "b". The authority may authorize a tax  
18 credit in an amount equal to the qualified applicant's estimated  
19 qualifying investment.

20 b. (1) The authority may determine that a qualified  
21 applicant is entitled to a tax credit reservation. If the  
22 authority issues a tax credit reservation for the qualified  
23 applicant, the authority shall notify the qualified applicant  
24 of the reservation of the tax credit and the amount reserved.  
25 The reservation of a tax credit does not entitle the qualified  
26 applicant to the issuance of a tax credit certificate until  
27 the qualified applicant complies with all other requirements  
28 specified in this section for the issuance of the tax credit.  
29 When the authority approves a tax credit reservation, the  
30 authority may also impose additional requirements on the  
31 qualified applicant, which the qualified applicant must satisfy  
32 as part of completing the qualifying investment before a tax  
33 credit certificate is issued to the qualified applicant.

34 (2) A reserved tax credit shall be provided to the qualified  
35 applicant as a tax credit certificate on an ongoing basis as

1 the qualified applicant incurs qualifying expenses, subject to  
2 approval by the authority.

3 4. For tax years beginning on or after January 1, 2026, but  
4 before January 1, 2033, the quantum technology tax credit is  
5 available to a qualified applicant that has been approved for a  
6 tax credit by the authority.

7 5. To claim a tax credit under this section, a taxpayer shall  
8 include one or more tax credit certificates with the taxpayer's  
9 tax return. The tax credit certificate, unless rescinded by the  
10 authority, shall be accepted by the department as payment for  
11 taxes imposed pursuant to chapter 422, subchapters II and III,  
12 subject to any conditions or restrictions placed by the authority  
13 upon the face of the tax credit certificate and subject to any  
14 other limitations.

15 6. An individual may claim a quantum technology tax credit  
16 incurred by a partnership, S corporation, limited liability  
17 company, estate, or trust electing to have the income taxed  
18 directly to the individual. The amount claimed by the individual  
19 shall be based upon the pro rata share of the individual's  
20 earnings of a partnership, S corporation, limited liability  
21 company, estate, or trust.

22 7. Any tax credit in excess of the qualified applicant's  
23 tax liability is refundable. In lieu of claiming a refund,  
24 the taxpayer may elect to have the overpayment shown on the  
25 taxpayer's final completed return credited to the tax liability  
26 for the following year.

27 8. Tax credit certificates issued pursuant to this section  
28 shall not be transferred to any other person.

29 9. a. In each fiscal year beginning on or after July 1,  
30 2026, the authority may award an amount of tax credits and  
31 reserved tax credits under the program not to exceed twenty-four  
32 million dollars each fiscal year, subject to paragraph "b".

33 b. The total tax credits awarded pursuant to this section  
34 shall not exceed forty-four million dollars in the aggregate.

35 c. The authority may limit the total amount of tax credits

1 reserved or awarded to a qualified applicant to an amount  
2 less than the estimated qualifying investment or the qualifying  
3 investment.

4 10. In determining which eligible project to award a tax  
5 credit to, the authority may prioritize eligible projects that  
6 demonstrate an ability to meet application requirements, have  
7 received a substantial federal award for purposes of cultivating  
8 and expanding a quantum-related ecosystem within this state,  
9 and have provided detailed explanations of the ways the shared  
10 quantum facility benefits the quantum industry in this state.

11 11. The failure of a qualified applicant in fulfilling any  
12 requirement under this section or any terms and obligations of  
13 any agreement entered pursuant to this section may result in  
14 the reduction, termination, or rescission of the tax credits  
15 claimed. The repayment or recapture of tax credits pursuant  
16 to this subsection shall be accomplished in the same manner as  
17 provided in section 15.330, subsection 2.

18 12. a. If, prior to completion of the eligible project, the  
19 qualified applicant sells, transfers, or abandons, or repurposes  
20 a substantial portion of the qualifying fixed capital assets for  
21 which the qualified applicant was allowed a tax credit pursuant  
22 to this section, or otherwise ceases to operate the shared  
23 quantum facility in this state, the qualified applicant shall  
24 notify the authority of such an event, and the authority shall  
25 notify the department that the tax credit awarded pursuant to  
26 this section is to be rescinded.

27 b. This subsection does not apply if the quantum facility  
28 experiences a casualty loss and if the qualifying fixed capital  
29 assets are restored within a reasonable amount of time.

30 13. Beginning January 15, 2028, and every two years  
31 thereafter through January 15, 2032, the authority shall provide  
32 a report to the general assembly detailing the issuance of  
33 the tax credits. The report shall include a description of  
34 each eligible project placed in service, a description of the  
35 uses of each eligible project, the number of jobs supported in

1 the quantum industry in the state as a result of the eligible  
2 project, an overview of the types of intellectual property that  
3 have been advanced through the eligible project, the qualified  
4 applicant's name, and the amount of credits awarded to the  
5 qualified applicant.

6 14. The authority shall adopt rules pursuant to chapter 17A  
7 to administer this section.

8 15. This section is repealed January 1, 2038.

9 Sec. 2. NEW SECTION. **422.10C Quantum technology credit.**

10 The taxes imposed under this subchapter, less the credits  
11 allowed under section 422.12, shall be reduced by a quantum  
12 technology credit allowed under section 15.381. This section is  
13 repealed January 1, 2038.

14 Sec. 3. Section 422.33, Code 2025, is amended by adding the  
15 following new subsection:

16 NEW SUBSECTION. 27. The taxes imposed under this subchapter  
17 shall be reduced by a quantum technology tax credit allowed under  
18 section 15.381. This subsection is repealed January 1, 2038.

19 Sec. 4. APPLICABILITY. This Act applies to tax years  
20 beginning on or after January 1, 2026.

21 EXPLANATION

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

24 This bill creates the quantum technology tax credit (credit)  
25 available against the individual and corporate income taxes for  
26 eligible projects.

27 The bill defines "eligible project" to mean a capital project  
28 undertaken in this state to create a shared quantum facility for  
29 which a qualified applicant makes qualifying investments approved  
30 by the Iowa economic development authority (authority).

31 An applicant for the credit may include a group of entities  
32 for profit or for nonprofit, or both, including a consortium that  
33 are jointly making qualifying investments in an eligible project  
34 to create a shared quantum facility.

35 The bill defines "shared quantum facility" to mean a primary

1 location in this state where a qualified applicant performs  
2 activities and provides economic benefit related to supporting  
3 quantum business and a quantum ecosystem.

4 An applicant for the credit shall submit an application to  
5 the authority in a manner prescribed by the authority. The  
6 application of a qualified applicant shall include but not  
7 be limited to an eligible project placed in service prior  
8 to January 1, 2031, and a multimillion dollar federal grant  
9 from the economic development administration for the regional  
10 technology and innovation program or from a comparable federal  
11 grant program. If a qualified applicant is a consortium, the  
12 amount of the credit allowed by the authority shall include  
13 the aggregate qualifying investment by all the members of the  
14 consortium. The bill requires a consortium to designate and  
15 disclose the representative to act on behalf of the consortium  
16 for tax matters. The representative shall provide the name and  
17 taxpayer identification number of each member of the consortium.  
18 Upon review of the application and approval by the authority  
19 to receive the credit, the authority shall issue a tax credit  
20 certificate to a qualified business indicating the amount  
21 available to be claimed. The authority may authorize a tax  
22 credit in an amount equal to the qualified applicant's estimated  
23 qualifying investment.

24 The bill defines "qualifying investment" to mean the amount  
25 paid by a qualified applicant to acquire, construct, reconstruct,  
26 or erect qualifying fixed capital assets to the extent such  
27 amount is required to be capitalized pursuant to the Internal  
28 Revenue Code or such amount is allowed to be deducted under  
29 section 179 of the Internal Revenue Code. The bill defines  
30 "qualifying fixed capital assets" to mean land, tangible personal  
31 property, and computer software used exclusively in this state as  
32 part of a coordinated plan to create a shared quantum facility.

33 The authority may determine that a qualified applicant is  
34 entitled to a credit reservation. The reservation of a credit  
35 does not entitle the qualified applicant to the issuance of a

1 tax credit certificate until the qualified applicant complies  
2 with all other requirements specified in the bill for the  
3 issuance of the credit. When the authority approves a tax  
4 credit reservation under the bill, the authority may also impose  
5 additional requirements on the qualified applicant before a tax  
6 credit certificate is issued to the qualified applicant.

7 The credit is available for tax years beginning on or after  
8 January 1, 2026, but before January 1, 2033. The bill limits  
9 the aggregate amount of credits and reserved credits awarded each  
10 fiscal year to \$24 million, and restricts the total tax credits  
11 that may be awarded to \$44 million in the aggregate.

12 In determining which eligible project to award a credit to,  
13 the authority may prioritize eligible projects that demonstrate  
14 an ability to meet application requirements, have received  
15 a substantial federal award for purposes of cultivating and  
16 expanding a quantum-related ecosystem within this state, and have  
17 provided detailed explanations of the ways the shared quantum  
18 facility benefits the quantum industry in the state.

19 The failure of a qualified applicant in fulfilling any  
20 requirement under the bill or any terms and obligations of any  
21 agreement may result in the reduction, termination, or rescission  
22 of the tax credits claimed. The bill also specifies the  
23 procedures for the repayment or recapture of credits.

24 The bill requires the authority to adopt rules to administer  
25 the credit.

26 The bill applies to tax years beginning on or after January 1,  
27 2026.