

Senate File 2301 - Introduced

SENATE FILE 2301
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3103)

A BILL FOR

1 An Act relating to matters under the purview of the
2 economic development authority, the utilities commission,
3 and the department of education, including creation of
4 the headquarters expansion and development for growth and
5 employment program, and the business incentives for growth
6 program training fund; repeal of the new jobs tax credit
7 program; the major economic growth attraction program; load
8 forecasting and analysis of electric transmission system
9 expansion plans; creation of the electric transmission system
10 expansion planning and analysis and load forecasting fund; the
11 industrial new jobs training program; and including effective
12 date provisions.
13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 DIVISION I
2 HEADQUARTERS EXPANSION AND DEVELOPMENT FOR GROWTH EMPLOYMENT
3 PROGRAM

4 Section 1. NEW SECTION. **15.600 Short title.**

5 This part shall be known and may be cited as the "*Headquarters*
6 *Expansion and Development for Growth and Employment Program*", or
7 "*EDGE Program*".

8 Sec. 2. NEW SECTION. **15.601 Definitions.**

9 As used in this part, unless the context otherwise requires:

10 1. "*Agreement*" means an agreement entered into by an eligible
11 business and the authority pursuant to section 15.604.

12 2. "*Base employment level*" means the same as defined in
13 section 15.491.

14 3. "*Benefits*" means nonwage compensation provided to an
15 employee. "*Benefits*" include medical and dental insurance, a
16 pension, a retirement plan, a profit-sharing plan, child care,
17 life insurance, vision insurance, and disability insurance.

18 4. "*Community*" means a city or county in the state.

19 5. "*Corporate headquarters*" means a location in the state
20 that serves as the principal executive office or houses
21 the core administrative operations for a business, and that
22 includes executive leadership offices, strategic decision-making
23 functions, and administrative and support staff employees.

24 6. "*Corporate job*" means a position based at a corporate
25 headquarters that involves strategic planning, executive
26 decision-making, or core administrative functions.

27 7. "*Created jobs*" or "*create jobs*" means new, permanent,
28 full-time equivalent positions added to an eligible business's
29 payroll, at the location of the eligible business's project, in
30 excess of the eligible business's base employment level.

31 8. "*Data center business*" means the same as defined in
32 section 423.3, subsection 95.

33 9. "*Eligible business*" means a business that meets the
34 requirements of section 15.602.

35 10. "*Full-time equivalent position*" means a non-part-time

1 position for the number of hours or days per week considered to
2 be full-time work for the kind of service or work performed for
3 an employer. Typically, a full-time equivalent position requires
4 two thousand eighty hours of work in a calendar year, including
5 all paid holidays, vacations, sick time, and other paid leave.

6 11. "Gross annual wages" means all regular wages and salaries
7 received by an employee for performing services as an employee of
8 an employer. "Gross annual wages" does not include nonregular
9 forms of compensation, such as bonuses, unusual overtime
10 pay, commissions, stock options, pensions, retirement or death
11 benefits, unemployment benefits, life or other insurance, or
12 other fringe benefits.

13 12. "New corporate job" means a corporate job that is a
14 created job.

15 13. "Program" means the headquarters expansion and
16 development for growth and employment program.

17 14. "Project" means an activity or set of activities directly
18 related to the retention or location of a corporate headquarters
19 for an eligible business, proposed in an eligible business's
20 application to the program, that will accomplish the goals of the
21 program.

22 15. "Qualifying wage threshold" means the mean wage level
23 represented by the wages within two standard deviations of
24 the mean wage within the laborshed area in which the eligible
25 business is located, as calculated by the authority by rule,
26 using the most current covered wage and employment data available
27 from the department of workforce development for the laborshed
28 area in which the eligible business is located.

29 16. "Retained corporate job" means a corporate job that is
30 also a retained job.

31 17. "Retained jobs" means a full-time equivalent position
32 that is in existence at the time an eligible business applies for
33 the program that remains continuously filled, and that is at risk
34 of elimination if the proposed project for which the eligible
35 business is applying to the program does not proceed.

1 18. "Tax incentives" means tax credits authorized under the
2 program by the authority for an eligible business.

3 Sec. 3. NEW SECTION. **15.602 Eligible business.**

4 1. To be eligible to receive tax incentives under the
5 program, a business must meet all of the following requirements:

6 a. The community in which the proposed project is located
7 must approve the project either by ordinance or resolution.

8 b. The business must have a global presence, significant
9 market share, or national recognition in the industry in which
10 the business operates.

11 c. The business must be able to provide documentation that a
12 minimum of fifty-one percent of the business's gross revenue is
13 generated from business conducted outside the state.

14 d. The business must be able to provide documentation that a
15 state other than Iowa is meaningfully competing for the location,
16 expansion, or retention of the business's corporate headquarters.

17 e. (1) The business must be primarily engaged in advanced
18 manufacturing, bioscience, insurance and finance, technology and
19 innovation, or research and development. The business shall not
20 be a data center business, a retail business, or a business
21 where a cover charge or membership requirement restricts certain
22 individuals from entering the business.

23 (2) Factors the authority shall consider to determine if
24 a business is primarily engaged in advanced manufacturing,
25 bioscience, insurance and finance, technology and innovation, or
26 research and development shall include but are not limited to all
27 of the following:

28 (a) The business's North American industry classification
29 system code.

30 (b) The business's main sources of revenue.

31 (c) The business's customer base.

32 f. (1) The business must not be solely relocating operations
33 from one area of the state to another area of the state.

34 A proposed project that does not create jobs or involve a
35 substantial amount of new capital investment shall be presumed

1 to be a relocation of operations. For purposes of this
2 subparagraph, the authority shall consider a letter from the
3 affected local community's government officials supporting the
4 business's move away from the affected local community in
5 making a determination whether the business is solely relocating
6 operations.

7 (2) This paragraph shall not be construed to prohibit a
8 business from expanding the business's operations in a community
9 if the business has similar operations in this state that are not
10 closing or undergoing a substantial reduction in operations.

11 g. The business must offer comprehensive benefits to
12 each full-time equivalent employee employed at its corporate
13 headquarters. The authority may adopt rules under chapter 17A
14 to determine the requirements for comprehensive benefits.

15 h. (1) The business must not have a record of violations
16 of law or of rules, including but not limited to antitrust,
17 environmental, trade, or worker safety, that over a period of
18 time show a consistent pattern or that establish the business's
19 intentional, criminal, or reckless conduct in violation of such
20 laws or rules.

21 (2) In making determinations and findings under subparagraph
22 (1), and making a determination whether a business is
23 disqualified from the program, the authority shall be exempt from
24 chapter 17A.

25 2. In determining if a business is eligible to participate in
26 the program, the authority shall consider a variety of factors
27 including but not limited to all of the following:

28 a. The cost to the state of providing tax incentives compared
29 to the potential increase in state and local tax collections from
30 the project, the potential for population growth resulting from
31 the project, and the potential for wage growth resulting from the
32 project.

33 b. The impact of the business's proposed project on
34 businesses that are in competition with the business. The
35 authority shall make a good-faith effort to identify existing

1 Iowa businesses in competition with the business being considered
2 for the program. The authority shall make a good-faith effort to
3 determine the probability that any proposed tax incentives will
4 displace employees of a competing business. In determining the
5 impact on a competing business, employee displacement from the
6 competing business shall not be considered created jobs for the
7 applying business's project.

8 c. The business's proposed project's economic impact on the
9 state. The authority shall place greater emphasis on businesses
10 and proposed projects that meet the following requirements:

11 (1) The business has a high proportion of in-state suppliers.

12 (2) The proposed project will diversify the state economy.

13 (3) The business has few in-state competitors.

14 (4) The proposed project has the potential to create jobs on
15 an ongoing basis, or will result in increased skills and wages
16 for employees of the eligible business.

17 (5) The proposed project has the potential to increase the
18 state's overall gross domestic product.

19 (6) The proposed project will result in a newly constructed
20 facility, or a facility with a significantly increased taxable
21 valuation.

22 (7) Any other factors the authority deems relevant in
23 determining the economic impact of a proposed project.

24 Sec. 4. NEW SECTION. **15.603 Applications — authorization**
25 **of tax incentives.**

26 1. Applications for the program shall be submitted to the
27 authority in the form and manner prescribed by the authority by
28 rule. Each application must be accompanied by an application fee
29 in an amount determined by the authority by rule.

30 2. In determining the eligibility of a business to
31 participate in the program the authority may engage outside
32 experts to complete a technical, financial, or other review of
33 an application submitted by a business if such review is outside
34 the expertise of the authority.

35 3. The authority and the board may negotiate with an eligible

1 business regarding the terms of, and the aggregate value of,
2 the tax incentives the eligible business may receive under the
3 program.

4 Sec. 5. NEW SECTION. **15.604 Agreement.**

5 1. An eligible business that is approved by the authority to
6 participate in the program shall enter into an agreement with
7 the authority that specifies the criteria for the successful
8 completion of all requirements of the program. The agreement
9 must contain, at a minimum, provisions related to all of the
10 following:

11 a. The eligible business must certify to the authority
12 annually that the business is in compliance with the agreement.

13 b. If the eligible business fails to comply with any
14 requirements of the program or the agreement, the eligible
15 business may be required to repay any tax incentives the
16 authority issued to the eligible business. After a final
17 determination by the authority, the authority will notify the
18 department of revenue of any required repayment of a tax
19 incentive, which shall be considered a tax payment due and
20 payable to the department of revenue by any taxpayer that claimed
21 the tax incentive, and the failure to make the repayment may be
22 treated by the department of revenue in the same manner as a
23 failure to pay the tax shown due, or required to be shown due,
24 with the filing of a return or deposit form.

25 c. If the eligible business undergoes a layoff or permanently
26 closes any of its facilities within the state, the eligible
27 business may be subject to all of the following:

28 (1) A reduction or elimination of some or all of the tax
29 incentives the authority issued to the eligible business.

30 (2) Repayment of any tax incentives that the business has
31 claimed, and payment of any penalties assessed by the department
32 of revenue.

33 d. The end date of the agreement.

34 e. The number of new corporate jobs and retained corporate
35 jobs to be created or retained as part of the project, the

1 qualifying wage threshold applicable to the project, and the
2 date on which the authority will initially verify the eligible
3 business employs the required number of new corporate jobs and
4 retained corporate jobs.

5 *f.* The maximum aggregate value of the tax incentives
6 authorized by the board.

7 *g.* The eligible business shall only employ individuals
8 legally authorized to work in this state. If the eligible
9 business is found to knowingly employ individuals who are not
10 legally authorized to work in this state, in addition to any
11 penalties provided by law, the eligible business may be required
12 to repay all or a portion of any tax incentives the authority
13 issued to the eligible business.

14 *h.* A requirement that the eligible business must continue to
15 own and operate a corporate headquarters in the state until the
16 end date of the agreement as specified in paragraph "d".

17 *i.* Any terms deemed necessary by the authority to effect the
18 eligible business's ongoing compliance with section 15.602.

19 2. The board shall not amend the terms of the agreement
20 to allow an increase in the maximum aggregate value of tax
21 incentives authorized by the board under section 15.603.

22 3. The eligible business shall comply with all applicable
23 terms of the agreement until the agreement end date. An eligible
24 business shall maintain the business's base employment level
25 until the agreement end date.

26 4. The eligible business shall not assign the agreement to
27 another entity without the advance written approval of the board.

28 5. The authority may enforce the terms of the agreement as
29 necessary and appropriate.

30 **Sec. 6. NEW SECTION. 15.605 Qualifying wage tax credit.**

31 1. If the authority has entered into an agreement with an
32 eligible business pursuant to section 15.604, the authority may
33 authorize a qualifying wage tax credit with the eligible business
34 for a period not to exceed three years according to the start
35 and end date specified in the agreement. The authority may issue

1 a qualifying wage tax credit to the eligible business for each
2 year of the authorized period upon verification under section
3 15.604, subsection 1, paragraph "e", that the eligible business
4 employed the required number of employees in new corporate jobs
5 and retained corporate jobs that pay at least two hundred percent
6 of the qualifying wage threshold. The tax credit for each year
7 of the authorized period shall equal no more than the sum of all
8 of the following:

9 a. Up to fifteen percent of the gross annual wages of new
10 corporate jobs that pay at least two hundred percent of the
11 qualifying wage threshold.

12 b. Up to one percent of the gross annual wages of retained
13 corporate jobs that pay at least two hundred percent of the
14 qualifying wage threshold, not to exceed one million dollars.

15 2. A tax credit shall be allowed against the taxes imposed in
16 chapter 422, subchapters II, III, and V, and against the moneys
17 and credits tax imposed in section 533.329.

18 3. In order for a taxpayer to claim a tax credit under
19 subsection 1, a tax credit certificate issued by the authority
20 shall be included with the taxpayer's tax return. The tax
21 credit certificate shall contain the taxpayer's name, address,
22 tax identification number, the amount of the credit, and other
23 information required by the authority.

24 4. An individual may claim a tax credit under subsection
25 1 on behalf of a partnership, limited liability company, S
26 corporation, estate, or trust electing to have income taxed
27 directly to the individual. The amount claimed by the individual
28 shall be based upon the pro rata share of the individual's
29 earnings from the partnership, limited liability company, S
30 corporation, estate, or trust.

31 5. Any tax credit in excess of the taxpayer's liability for
32 the tax year is refundable. In lieu of claiming a refund, an
33 eligible business may elect to have the overpayment shown on
34 the eligible business's final, completed return credited to the
35 eligible business's tax liability for the immediately succeeding

1 tax year. A tax credit shall not be carried back to a tax year
2 prior to the tax year in which the tax credit is first claimed by
3 the eligible business.

4 6. Tax credit certificates issued pursuant to this section
5 are not transferable.

6 Sec. 7. NEW SECTION. **15.606 Other incentives.**

7 The authority, in its discretion, may prohibit an eligible
8 business that has been issued tax incentives under the program
9 from receiving any additional tax incentive, tax credit,
10 grant, loan, or other financial assistance under any program
11 administered by the authority.

12 Sec. 8. NEW SECTION. **422.12R Qualifying wage tax credit.**

13 The taxes imposed under this subchapter, less the credits
14 allowed under section 422.12, shall be reduced by a qualifying
15 wage tax credit allowed under section 15.605.

16 Sec. 9. Section 422.33, Code 2026, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 4. The taxes imposed under this subchapter
19 shall be reduced by a qualifying wage tax credit allowed under
20 section 15.605.

21 Sec. 10. Section 422.60, Code 2026, is amended by adding the
22 following new subsection:

23 NEW SUBSECTION. 2. The taxes imposed under this subchapter
24 shall be reduced by a qualifying wage tax credit allowed under
25 section 15.605.

26 Sec. 11. Section 533.329, subsection 2, Code 2026, is amended
27 by adding the following new paragraph:

28 NEW PARAGRAPH. m. The moneys and credits tax imposed under
29 this section shall be reduced by a qualifying wage tax credit
30 allowed under section 15.605.

31 Sec. 12. CODE EDITOR DIRECTIVE. The Code editor is directed
32 to designate sections 15.600 through 15.606, as enacted in this
33 division of this Act, as part 37 of subchapter II.

34 DIVISION II

35 MAJOR ECONOMIC GROWTH ATTRACTION PROGRAM

1 Sec. 13. Section 15.491, subsection 12, Code 2026, is amended
2 to read as follows:

3 12. "*Foreign adversary*" means a the following:

4 a. A foreign government or foreign non-government person as
5 determined in 15 C.F.R. §7.4, and that is listed in 15 C.F.R.
6 §7.4(a) at any time from March 4, 2024, through the termination
7 of the program July 17, 2024.

8 b. A foreign government or foreign non-government person
9 as determined in 15 C.F.R. §791.4, and that is listed in 15
10 C.F.R. §791.4 at any time from July 18, 2024, through the
11 termination of the program.

12 Sec. 14. Section 15.501, Code 2026, is amended to read as
13 follows:

14 **15.501 Restrictions on board.**

15 The board shall not authorize tax incentives available under
16 the program, or an exemption to restrictions on agricultural
17 land holdings pursuant to this part, for more than two eligible
18 businesses, or on or after January 1, ~~2027~~ 2030, whichever occurs
19 first.

20 DIVISION III

21 BUSINESS INCENTIVES FOR GROWTH PROGRAM TRAINING FUND

22 Sec. 15. NEW SECTION. **15.512 Training fund.**

23 1. A business incentives for growth program training fund is
24 created in the state treasury under the control of the authority.
25 An amount up to one and one-half percent of the gross wages an
26 eligible business pays according to an agreement entered into
27 pursuant to section 15.506 shall be credited to the fund from
28 the withholding payments made by an eligible business pursuant to
29 section 422.16. Such jobs shall be identified by the authority
30 as having a sufficient economic impact to warrant assistance with
31 training.

32 2. On a quarterly basis, an eligible business shall disclose
33 the amount of gross wages that qualify under subsection 1 to
34 the authority and to the department of revenue. Based upon the
35 gross wage amount provided to the authority, the authority shall

1 calculate the amount of gross wages to be deposited into the fund
2 for the quarter, and the department of revenue shall deposit that
3 amount into the fund.

4 3. Moneys in the fund shall be used to reimburse training
5 expenses incurred by an eligible business that are associated
6 with the eligible business's project.

7 4. An eligible business's training expenses that may be
8 eligible for reimbursement must meet all of the following
9 criteria:

10 a. The expenses are paid to a third party.

11 b. The expenses are for training that is specific to the
12 project of the eligible business and necessary for the success
13 of the project.

14 c. The expenses were incurred over the period of time
15 identified in the agreement under section 15.506, but not to
16 exceed four years.

17 d. The expenses are documented to the satisfaction of the
18 authority.

19 5. An eligible business that has been approved by the
20 authority to receive a reimbursement from the fund shall not be
21 eligible to receive any other state incentive to be used for the
22 same purpose.

23 DIVISION IV

24 REPEAL OF THE NEW JOBS TAX CREDIT

25 Sec. 16. Section 2.48, subsection 3, paragraph e,
26 subparagraph (7), Code 2026, is amended by striking the
27 subparagraph.

28 Sec. 17. REPEAL. Section 422.11A, Code 2026, is repealed.

29 Sec. 18. PRESERVATION OF EXISTING RIGHTS. This division of
30 this Act shall not limit, modify, or otherwise adversely affect
31 any amount of tax incentive issued, awarded, or allowed before
32 the effective date of this division of this Act, nor shall it
33 limit, modify, or otherwise adversely affect a taxpayer's right
34 to claim or redeem a tax incentive issued, awarded, or allowed
35 before the effective date of this division of this Act, including

1 but not limited to any tax incentive carryforward amount.

2 Sec. 19. EFFECTIVE DATE. This division of this Act, being
3 deemed of immediate importance, takes effect upon enactment.

4 DIVISION V

5 LOAD FORECASTING

6 Sec. 20. NEW SECTION. **15.120A Load forecasting report and**
7 **analysis of electric transmission system expansion plans.**

8 To support economic development in the state, the authority
9 shall commission Iowa state university of science and technology
10 to produce a report forecasting the probable future growth of the
11 use of electricity within Iowa and within the midwest region.
12 The report shall include a load forecast and an analysis of
13 electric transmission system expansion plans. The authority must
14 commission such report from the university at least every two
15 years. In developing the report, the university shall solicit
16 the input of residential, commercial, and industrial consumers
17 and the electric industry. The load forecast and state electric
18 transmission system expansion planning analysis must be published
19 by December 31, 2028, and biennially published on or before
20 December 31 thereafter. The authority may commission other
21 reports as necessary to evaluate energy needs including but not
22 limited to natural gas. A report commissioned pursuant to this
23 section must be publicly available on the authority's internet
24 site.

25 Sec. 21. Section 476.1A, subsection 2, Code 2026, is amended
26 to read as follows:

27 2. However, ~~sections~~ section 476.2, subsection 7, section
28 476.20, subsections 1 through 4, sections 476.21, 476.51, 476.56,
29 476.58, 476.62, and 476.66, and chapters 476A and 478, to the
30 extent applicable, apply to such electric utilities.

31 Sec. 22. Section 476.1B, subsection 2, Code 2026, is amended
32 to read as follows:

33 2. ~~Section 476.20, subsections 1 through 4, Section 476.2,~~
34 subsection 7, section 476.20, subsections 1 through 4, sections
35 476.51, 476.56, 476.58, 476.62, and 476.66, and chapters 476A and

1 478, to the extent applicable, apply to such electric and gas
2 utilities.

3 Sec. 23. Section 476.2, Code 2026, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 7. The commission shall have the authority
6 to compel all public utilities to share with Iowa state
7 university of science and technology information necessary to
8 develop state load forecasts and state electric transmission
9 system expansion planning analysis pursuant to section
10 15.120A. The load forecast and state electric transmission system
11 expansion planning analysis published pursuant to section 15.120A
12 may be used as evidentiary support in any proceedings before the
13 commission.

14 Sec. 24. NEW SECTION. **476.10C Load forecasts and analyses**
15 **of state electric transmission system expansion plans — fund.**

16 1. An electric transmission system expansion plans analysis
17 and load forecasting fund is created in the state treasury
18 under the control of the economic development authority.
19 The commission shall direct all electric utilities to remit
20 to the treasurer of state for deposit in the electric
21 transmission system expansion plans analysis and load forecasting
22 fund a percentage of the total gross operating revenues
23 during the last calendar year derived from the utilities'
24 intrastate public utility operations. Moneys in the fund are
25 appropriated to the economic development authority to be used
26 for the purposes of commissioning a report pursuant to section
27 15.120A. Notwithstanding section 8.33, moneys in the fund that
28 remain unencumbered or unobligated at the close of a fiscal
29 year shall not revert but shall remain available for expenditure
30 for the purposes designated. Notwithstanding section 12C.7,
31 subsection 2, interest or earnings on moneys in the fund shall
32 be credited to the fund.

33 2. The commission shall, by rule, establish a maximum
34 amount of remittances in aggregate and provide a schedule for
35 remittances. The remittances collected pursuant to this section

1 shall be in addition to the assessments permitted pursuant to
2 section 476.10. The commission shall allow inclusion of these
3 remittances in the budgets approved by the commission pursuant to
4 section 476.6, subsection 15, paragraph "c".

5 DIVISION VI

6 IOWA INDUSTRIAL NEW JOBS TRAINING PROGRAM

7 Sec. 25. Section 260E.3, subsection 1, paragraph b, Code
8 2026, is amended to read as follows:

9 b. ~~New~~ For an agreement entered into on or before June 30,
10 2026, new jobs credit from withholding to be received or derived
11 from new employment resulting from the project.

12 Sec. 26. Section 260E.3, subsection 4, Code 2026, is amended
13 to read as follows:

14 4. An agreement shall include a provision which fixes the
15 minimum amount of incremental property taxes, ~~new jobs credit~~
16 ~~from withholding~~, or tuition and fee payments which shall be
17 paid for program costs. An agreement entered into on or before
18 June 30, 2026, may include a provision which fixes the minimum
19 amount of new jobs credit from withholding which shall be paid
20 for program costs.

21 Sec. 27. Section 260E.5, unnumbered paragraph 1, Code 2026,
22 is amended to read as follows:

23 ~~If an~~ For an agreement entered into on or before June 30,
24 2026, if the agreement provides that all or part of program costs
25 are to be met by receipt of new jobs credit from withholding, it
26 shall be done as follows:

27 EXPLANATION

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

30 This bill relates to economic development authority programs
31 and tax credits; load forecasting and the state electric
32 transmission system expansion plans; and the industrial new jobs
33 training program.

34 DIVISION I — HEADQUARTERS EXPANSION AND DEVELOPMENT FOR
35 GROWTH AND EMPLOYMENT PROGRAM. The bill creates a headquarters

1 expansion and development for growth and employment program (EDGE
2 program) to provide tax incentives to eligible businesses. The
3 qualifications for an eligible business, and the factors the
4 economic development authority (authority) shall consider in
5 determining if a business is eligible to participate in the EDGE
6 program are provided in the bill. Applications for the EDGE
7 program shall be submitted to the authority.

8 The terms of, and aggregate value of, a tax incentive may
9 be negotiated between an eligible business, the authority, and
10 the board comprised of members of the authority appointed by
11 the governor (board). An eligible business that is approved to
12 participate in the EDGE program shall enter into an agreement
13 with the authority specifying the criteria for successful
14 completion of the program requirements. The requirements for the
15 program agreement are detailed in the bill, and the authority may
16 enforce such requirements.

17 If the authority enters into an agreement with an eligible
18 business, the authority may authorize a qualifying wage tax
19 credit for the eligible business for a period not to exceed
20 three years as specified in the agreement. The authority may
21 issue a qualifying wage tax credit to the eligible business for
22 each year of the authorized period upon verification that the
23 eligible business employed the required number of employees in
24 new corporate jobs and retained corporate jobs that pay at least
25 200 percent of the qualifying wage threshold. The tax credit for
26 each year of the authorized period shall equal no more than the
27 amount specified in the bill. A taxpayer shall include a tax
28 credit certificate issued by the authority with the taxpayer's
29 tax return to claim the tax credit. An individual may claim a
30 tax credit on behalf of a partnership, limited liability company,
31 S corporation, estate, or trust electing to have income taxed
32 directly to the individual in an amount based upon the pro rata
33 share of the individual's earnings. Any tax credit in excess of
34 the taxpayer's liability for the tax year is refundable or may
35 be credited to the immediately succeeding tax year. Tax credit

1 certificates are not transferable.

2 The authority may prohibit an eligible business that receives
3 a tax incentive from the program from receiving any other tax
4 incentives or financial assistance under any program administered
5 by the authority.

6 Under the bill, individual and corporate income taxes,
7 financial institution franchise taxes, and money and credits
8 taxes on credit unions shall be reduced by a qualifying wage tax
9 credit.

10 DIVISION II — MAJOR ECONOMIC GROWTH ATTRACTION PROGRAM. The
11 bill amends the definition of a "foreign adversary" under the
12 major economic growth attraction program (MEGA program). Under
13 current law, a foreign adversary is a foreign government or
14 foreign nongovernment person as determined in 15 C.F.R. §7.4,
15 and as listed in 15 C.F.R. §7.4(a) at any time from March
16 4, 2024, through the termination of the program. Under the
17 bill, a foreign adversary is a foreign government or foreign
18 nongovernment person as determined in 15 C.F.R. §7.4, and as
19 listed in 15 C.F.R. §7.4(a) at any time from March 4, 2024,
20 through July 17, 2024, or, as determined in 15 C.F.R. §791.4, and
21 as listed in 15 C.F.R. §791.4 at any time from July 18, 2024,
22 through the termination of the program.

23 Under current law, the board shall not authorize tax
24 incentives available under the MEGA program, or an exemption to
25 restrictions on agricultural land holdings, for more than two
26 eligible businesses, or on or after January 1, 2027, whichever
27 occurs first. The bill extends this provision to January 1,
28 2030.

29 DIVISION III — BUSINESS INCENTIVES FOR GROWTH PROGRAM
30 TRAINING FUND. The bill creates a business incentives for growth
31 program training fund (fund) in the state treasury under the
32 control of the authority.

33 Under the bill, an amount up to 1.5 percent of the gross
34 wages an eligible business pays pursuant to an agreement with
35 the authority shall be credited to the fund from the withholding

1 payments made by the eligible business. Such jobs shall be
2 identified by the authority as having a sufficient economic
3 impact to warrant assistance with training. On a quarterly
4 basis, an eligible business shall disclose the amount of gross
5 wages that qualify to the authority and to the department of
6 revenue (DOR). The authority shall calculate the amount of gross
7 wages to be deposited into the fund, and the DOR shall deposit
8 that amount into the fund.

9 Moneys in the fund shall be used to reimburse training
10 expenses incurred by an eligible business that are associated
11 with the eligible business's project, and that meet the
12 requirements detailed in the bill. An eligible business that has
13 been approved to receive a reimbursement from the fund shall not
14 receive any other state incentives for the same purpose.

15 DIVISION IV — REPEAL OF THE NEW JOBS TAX CREDIT. The bill
16 repeals the new jobs tax credit under Code section 422.11A. The
17 bill makes a conforming change to Code section 2.48(3)(e)(7).

18 This division of the bill, being deemed of immediate
19 importance, takes effect upon enactment.

20 DIVISION V — LOAD FORECASTING. The bill relates to load
21 forecasting and analysis of electric transmission system
22 expansion plans. The bill directs the authority to commission
23 Iowa state university of science and technology (ISU) to produce
24 a report forecasting the probable future growth of electricity
25 use within the state and within the midwest region. The
26 report must include a load forecast and an analysis of electric
27 transmission system expansion plans, and must be commissioned
28 from ISU at least once every two years. In developing the
29 report, ISU must solicit input from residential, commercial,
30 and industrial consumers and the electric industry. The load
31 forecast and electric transmission system expansion planning
32 analysis must be published by December 31, 2028, and biennially
33 published on or before December 31 thereafter. The authority may
34 commission other reports as necessary to evaluate energy needs.
35 A report shall be made publicly available on the authority's

1 internet site.

2 The bill grants the Iowa utilities commission (commission)
3 authority to compel public utilities to share with ISU
4 information necessary to develop the load forecasts and electric
5 transmission system expansion planning analysis required under
6 the bill. The bill also provides that the load forecast
7 and electric transmission system expansion planning analysis
8 may be used as evidentiary support in any proceedings before
9 the commission. This authority to compel includes all
10 electric utilities, including electric public utilities with few
11 customers, electric cooperative corporations and associations,
12 and municipally owned utilities.

13 The bill requires the commission to direct all electric
14 utilities to remit to the treasurer of state for deposit in the
15 electric transmission system expansion planning analysis and load
16 forecasting fund, as created in the bill, a percentage of the
17 utilities' total gross intrastate operating revenues from the
18 prior year. Moneys in the fund are appropriated to the authority
19 for the purpose of commissioning the load forecasting report
20 and analysis. The bill directs the commission to establish by
21 rule an aggregate maximum amount of remittances and a schedule
22 for remittances. The remittances are in addition to assessments
23 otherwise permitted and may be included in budgets approved for
24 energy efficiency implementation.

25 DIVISION VI — IOWA INDUSTRIAL NEW JOBS TRAINING
26 PROGRAM. Under current law, a community college may enter into an
27 agreement to establish a project which shall provide for program
28 costs, including deferred costs, which may be paid from one or
29 more sources, including the new jobs credit from withholding to
30 be received or derived from new employment resulting from the
31 project. The agreement shall include a provision which fixes
32 the minimum amount of incremental property taxes, new jobs credit
33 from withholding, or tuition and fee payments which shall be
34 paid for program costs. Under the bill, the new jobs credit
35 from withholding is only available for agreements entered into

1 on or before June 30, 2026, and such an agreement may include a
2 provision which fixes the minimum amount of new jobs credit from
3 withholding which shall be paid for program costs.

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