SENATE FILE 653
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 170)

(COMPANION TO HF 1018 BY
COMMITTEE ON WAYS AND MEANS)

A BILL FOR

An Act relating to the historic preservation tax credit available against the individual and corporate income taxes, the franchise tax, and the insurance premiums tax.

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

Section 1. 2022 Iowa Acts, chapter 1002, section 53, is amended to read as follows:

SEC. 53. PRESERVATION OF EXISTING RIGHTS.

1. ~~This~~ Except as provided in subsection 2, this division of this Act is not intended to and shall not limit, modify, or otherwise adversely affect any amount of tax credit issued, awarded, or allowed prior to January 1, 2023, nor shall it limit, modify, or otherwise adversely affect a taxpayer's right to claim or redeem a tax credit issued, awarded, or allowed prior to January 1, 2023, including but not limited to any tax credit carryforward amount.

2. The section of this division of this Act amending the historic preservation tax credit is not intended to and shall not limit, modify, or otherwise adversely affect any amount of the tax credit issued, awarded, or allowed prior to July 1, 2023, nor shall it limit, modify, or otherwise adversely affect a taxpayer's right to claim or redeem the tax credit issued, awarded, or allowed prior to July 1, 2023, including but not limited to any tax credit carryforward amount.

EXPLANATION

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

During the 2022 legislative session, House File 2317 was enacted which gradually reduced the refundability of the historic preservation tax credit commencing with the tax year beginning January 1, 2023, until 75 percent of the credit in excess of tax liability is refundable for tax years beginning on or after January 1, 2027. Previously, the tax credit was 100 percent refundable. House File 2317 also enacted a provision preserving existing rights to the tax credit issued, awarded, or allowed prior to January 1, 2023, to reduce the effect House File 2317 had on existing tax credits being awarded. This bill expands the applicability of the preservation of existing rights provision from January 1, 2023, to July 1, 2023, to historic preservation tax credits issued, awarded, or allowed prior to July 1, 2023.