

Senate File 2495 - Introduced

SENATE FILE 2495

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2279)

A BILL FOR

1 An Act creating a maternity group home tax credit available
2 against the individual, corporate, franchise, insurance
3 premium, and moneys and credits taxes, and including
4 applicability provisions.

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

1 Section 1. NEW SECTION. 135E.1 **Maternity group home tax**
2 **credit.**

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

5 a. "*Department*" means the department of revenue.

6 b. "*Donation*" means a voluntary cash or noncash contribution
7 to a maternity group home made by the taxpayer during the tax
8 year.

9 c. "*Maternity group home*" means the same as defined in
10 section 414.27.

11 2. For tax years beginning on or after January 1, 2026,
12 a tax credit shall be allowed against the taxes imposed in
13 chapter 422, subchapters II, III, and V, and in chapter 432,
14 and against the moneys and credits tax imposed in section
15 533.329, equal to one hundred percent of a person's donation
16 to a maternity group home. An individual may claim a tax
17 credit under this section of a partnership, limited liability
18 company, S corporation, estate, or trust electing to have
19 income taxed directly to the individual. The amount claimed
20 by the individual shall be based upon the pro rata share of the
21 individual's earnings from the partnership, limited liability
22 company, S corporation, estate, or trust.

23 3. The amount of the donation for which the tax credit is
24 claimed shall not be deductible in determining taxable income
25 for state income tax purposes.

26 4. Any tax credit in excess of the person's tax liability
27 shall not be credited to the tax liability for the following
28 tax year. A tax credit shall not be carried back to a tax
29 year prior to the tax year in which the person claims the tax
30 credit, and a tax credit shall not be transferable.

31 5. a. The cumulative value of the amount of tax credits
32 authorized pursuant to this section shall not annually exceed
33 three million five hundred thousand dollars.

34 b. The maximum value of tax credits granted for donations
35 per an organization operating a maternity group home shall not

1 annually exceed five hundred thousand dollars.

2 6. a. A taxpayer must submit an application to the
3 department in a manner approved by the department for each
4 separate and distinct donation. The application must be
5 approved by the department in order to claim the tax credit.
6 The application must be filed within six months following the
7 tax year the donation was made.

8 b. The department shall accept and approve applications on
9 a first-come, first-served basis until the maximum value amount
10 of tax credits that may be claimed pursuant to subsection 5 is
11 reached. If for a tax year the aggregate amount of tax credits
12 applied for exceeds the maximum amount specified in subsection
13 5, paragraph "a" or "b", the department shall establish a
14 wait list when applicable. Valid applications filed by the
15 taxpayer within six months following the tax year of the
16 donation but not approved by the department shall be placed
17 on a wait list in the order the applications were received
18 and those applicants shall be given priority for having their
19 applications approved in succeeding years. Placement on a wait
20 list pursuant to this paragraph shall not constitute a promise
21 binding the state. The availability of a tax credit and
22 approval of a tax credit application pursuant to this section
23 in a future year is contingent upon the availability of tax
24 credits in that particular year.

25 7. The department may adopt rules pursuant to chapter 17A to
26 administer this section.

27 Sec. 2. NEW SECTION. 422.10D Maternity group home tax
28 credit.

29 The tax imposed under this subchapter, less the credits
30 allowed under section 422.12, shall be reduced by a maternity
31 group home tax credit authorized pursuant to section 135E.1.

32 Sec. 3. Section 422.33, Code 2026, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 11. The tax imposed under this subchapter
35 shall be reduced by a maternity group home tax credit

1 authorized pursuant to section 135E.1.

2 Sec. 4. Section 422.60, Code 2026, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 16. The tax imposed under this subchapter
5 shall be reduced by a maternity group home tax credit
6 authorized pursuant to section 135E.1.

7 Sec. 5. NEW SECTION. **432.12P Maternity group home tax**
8 **credit.**

9 The tax imposed under this chapter shall be reduced by a
10 maternity group home tax credit authorized pursuant to section
11 135E.1.

12 Sec. 6. Section 533.329, subsection 2, Code 2026, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. *m.* The moneys and credits tax imposed under
15 this section shall be reduced by a maternity group home tax
16 credit allowed under section 135E.1.

17 Sec. 7. **APPLICABILITY.** This Act applies to tax years
18 beginning on or after January 1, 2026.

19 **EXPLANATION**

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

22 This bill creates a maternity group home tax credit
23 available against the individual, corporate, franchise,
24 insurance premium, and moneys and credits taxes.

25 The bill defines "maternity group home" to mean a
26 community-based residential home that provides room and board,
27 personal care, supervision, training, support, and education in
28 a family environment for women who are either pregnant or who
29 have given birth within the preceding 24 months and live with
30 their children, and includes overnight room accommodations and
31 administrative and office space for those persons who provide
32 such services.

33 The amount of the credit shall equal 100 percent of a
34 person's donation to a maternity group home.

35 The bill specifies that the amount of the donation for which

1 the tax credit is claimed shall not be deductible for state
2 income tax purposes.

3 A credit provided in the bill in excess of tax liability
4 is not refundable and shall not be credited to a person's
5 tax liability in future tax years. The tax credit shall not
6 be carried back to a tax year prior to the tax year in which
7 the person makes the donation, and the tax credit is also not
8 transferable.

9 The aggregate amount of tax credits authorized pursuant to
10 the bill shall not annually exceed \$3.5 million.

11 The maximum amount of tax credits granted for donations to
12 an organization operating a maternity group home shall not
13 annually exceed \$500,000.

14 The bill requires the department of revenue to administer
15 the credit and to approve applications on a first-come,
16 first-served basis until the maximum amount of tax credits
17 authorized for the year has been reached. A taxpayer must
18 submit an application to the department for each separate and
19 distinct donation within six months following the tax year of
20 the donation in such a manner approved by the department. The
21 bill also requires the department to develop a wait list in the
22 order the applications are received if applications for the
23 credit exceed the annual maximum amounts authorized.

24 The department may adopt rules to administer the bill.

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