

**Senate File 657 - Reprinted**

SENATE FILE 657  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1205)

(As Amended and Passed by the Senate May 13, 2025)

**A BILL FOR**

1 An Act related to state taxation and finance and other  
2 related matters, by creating, modifying, and eliminating tax  
3 credits and tax incentive programs, providing for penalties,  
4 and including effective date and retroactive applicability  
5 provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

ECONOMIC DEVELOPMENT PROGRAMS — TAX CREDIT LIMITS

Section 1. Section 15.119, Code 2025, is amended to read as follows:

**15.119 Aggregate tax credit limit for certain economic business development programs.**

1. a. Notwithstanding any provision to the contrary in any of the business development programs listed in subsection 2, the authority, except as provided in paragraph "b", shall not authorize for any one fiscal year an amount of tax credits for the programs specified in subsection 2 that is in excess of one hundred ~~seventy~~ ten million dollars.

b. (1) The authority may authorize an amount of tax credits during a fiscal year that is in excess of the amount specified in paragraph "a", but the amount of such excess shall not exceed twenty percent of the amount specified in paragraph "a", and shall be counted against the total amount of tax credits that may be authorized for the next fiscal year.

(2) Any amount of tax credits authorized and awarded during a fiscal year for a program specified in subsection 2 which are irrevocably declined by the awarded business or revoked by the authority on or before June 30 of the next fiscal year may be reallocated, authorized, and awarded during the fiscal year in which the declination or revocation occurs. Tax credits authorized pursuant to this subparagraph shall not be considered for purposes of subparagraph (1).

~~2. The authority, with the approval of the board, shall adopt by rule a procedure for allocating the aggregate tax credit limit established in this section among the following~~ The aggregate tax credit limit specified in subsection 1 shall be allocated to business development programs as follows:

~~a. (1) The high quality jobs program administered pursuant to subchapter II, part 13.~~

~~(2) In allocating tax credits pursuant to this subsection for the fiscal year beginning July 1, 2022, and for each fiscal~~

1 ~~year thereafter, the authority shall not allocate more than~~  
2 ~~sixty-eight million dollars for purposes of this paragraph.~~

3 ~~(3) In allocating tax credits pursuant to this subsection,~~  
4 ~~the authority shall prioritize issuing additional research~~  
5 ~~activities tax credits pursuant to section 15.335.~~

6 ~~b. The enterprise zones program administered pursuant to~~  
7 ~~sections 15E.191 through 15E.197, Code 2014.~~

8 ~~c. The assistive device tax credit program administered~~  
9 ~~pursuant to section 422.33, subsection 9.~~

10 ~~d. The tax credits for investments in qualifying businesses~~  
11 ~~issued pursuant to section 15E.43. In allocating tax credits~~  
12 ~~pursuant to this subsection, the authority shall allocate two~~  
13 ~~million dollars for purposes of this paragraph, unless the~~  
14 ~~authority determines that the tax credits awarded will be less~~  
15 ~~than that amount.~~

16 ~~e. a. (1) The tax credits for investments in an innovation~~  
17 ~~fund pursuant to section 15E.52 chapter 15E, subchapter VI, and~~  
18 ~~the seed investor tax credit pursuant to chapter 15E, subchapter~~  
19 ~~IV. In allocating tax credits pursuant to this subsection, the~~  
20 ~~authority shall allocate eight ten million dollars for purposes~~  
21 ~~of this paragraph, unless the authority determines that the tax~~  
22 ~~credits awarded will be less than that amount and the board shall~~  
23 ~~determine the tax credit amount allocated to each program under~~  
24 ~~this paragraph each fiscal year.~~

25 ~~(2) For the fiscal year beginning July 1, 2025, the~~  
26 ~~allocation pursuant to this paragraph shall be reduced by any tax~~  
27 ~~credit authorized by the authority prior to July 1, 2026, for~~  
28 ~~an investment in a qualifying business pursuant to chapter 15E,~~  
29 ~~subchapter V, Code 2025. This subparagraph is repealed July 1,~~  
30 ~~2026.~~

31 ~~f. The redevelopment tax credit program for brownfields and~~  
32 ~~grayfields administered pursuant to sections 15.293A and 15.293B.~~

33 ~~g. The workforce housing tax incentives program administered~~  
34 ~~pursuant to subchapter II, part 17. In allocating tax credits~~  
35 ~~pursuant to this subsection, the authority shall not allocate~~

~~1 more than thirty-five million dollars for purposes of this  
2 paragraph. Of the moneys allocated under this paragraph,  
3 seventeen million five hundred thousand dollars shall be reserved  
4 for allocation to qualified housing projects in small cities, as  
5 defined in section 15.352, that are registered on or after July  
6 1, 2017.~~

~~7 h. The renewable chemical production tax credit program  
8 administered pursuant to subchapter II, part 12. In allocating  
9 tax credits pursuant to this subsection for the fiscal year  
10 beginning July 1, 2021, and for each fiscal year beginning before  
11 July 1, 2037, the authority shall not allocate more than five  
12 million dollars for purposes of this paragraph. This paragraph  
13 is repealed July 1, 2039.~~

~~14 3. In allocating the amount of tax credits authorized  
15 pursuant to subsection 1 among the programs specified in  
16 subsection 2, the authority shall not allocate more than fifteen  
17 million dollars for purposes of subsection 2, paragraph "f".~~

18 b. The renewable chemical production tax credit pursuant  
19 to subchapter II, part 12, and the sustainable aviation fuel  
20 production tax credit program pursuant to subchapter II, part  
21 36. In allocating tax credits pursuant to this subsection, the  
22 authority shall allocate ten million dollars for purposes of this  
23 paragraph, and the board shall determine the tax credit amount  
24 allocated to each program specified in this paragraph for each  
25 fiscal year.

26 c. The research and development tax credit program pursuant  
27 to subchapter II, part 35. In allocating tax credits pursuant  
28 to this subsection, the authority shall allocate forty million  
29 dollars for purposes of this paragraph.

30 d. The business incentives for growth program administered  
31 pursuant to subchapter II, part 33. In allocating tax credits  
32 pursuant to this subsection for the fiscal year beginning July  
33 1, 2026, and for each fiscal year thereafter, the authority shall  
34 not allocate more than fifty million dollars for purposes of this  
35 paragraph.

1 e. (1) The high quality jobs program administered pursuant  
2 to chapter 15, subchapter II, part 13, and the business  
3 incentives for growth program administered pursuant to chapter  
4 15, subchapter II, part 33. In allocating tax credits pursuant  
5 to this subsection, the authority shall allocate fifty million  
6 dollars in the aggregate for purposes of this paragraph, by  
7 allocating tax credits to the high quality jobs program prior to  
8 January 1, 2026, and by allocating the remaining tax credits to  
9 the business incentives for growth program on or after January 1,  
10 2026.

11 (2) This paragraph is repealed July 1, 2026.

12 4. 3. The authority shall submit to the department of  
13 revenue on or before August 15 of each year a report on the tax  
14 credits allocated pursuant to this section and the tax credits  
15 awarded under each of the programs described in subsection 2.

16 DIVISION II

17 ECONOMIC DEVELOPMENT PROGRAMS — TAX CREDIT LIMITS

18 CONFORMING CHANGES

19 Sec. 2. Section 15.293A, subsection 6, Code 2025, is amended  
20 to read as follows:

21 ~~6. The amount of tax credits that may be awarded by the~~  
22 ~~board shall be subject to the limitation in section 15.119~~ Except  
23 as provided in section 15.293B, subsection 6, the board shall  
24 not award in any one fiscal year an amount of tax credits that  
25 exceeds fifteen million dollars.

26 Sec. 3. Section 15.293B, subsection 6, Code 2025, is amended  
27 to read as follows:

28 6. a. (1) Tax credits revoked under subsection 3 including  
29 tax credits revoked up to five years prior to July 1, 2021, and  
30 tax credits not awarded under subsection 4 or 5, may be awarded  
31 in the next annual application period established in subsection  
32 1, paragraph "c".

33 (2) Any amount of tax credits authorized and awarded during  
34 a fiscal year which are irrevocably declined by the awarded  
35 investor on or before June 30 of the immediately succeeding

1 fiscal year may be awarded in the next annual application period  
2 established in subsection 1, paragraph "c".

3 b. Tax credits awarded pursuant to paragraph "a" shall not  
4 be counted against the limit under section 15.119, ~~subsection 3~~  
5 15.293A, subsection 6.

6 Sec. 4. Section 15.318, subsection 3, paragraph e, Code 2025,  
7 is amended to read as follows:

8 e. In each fiscal year beginning on or after July 1, 2023  
9 2025, and ending on or before June 30, 2036, the authority may  
10 award an amount of tax credits under the program not to exceed  
11 the maximum aggregate amount ~~allocated in~~ determined by the board  
12 pursuant to section 15.119, subsection 2, paragraph "h" "b".

13 Sec. 5. Section 15.354, subsection 2, paragraph a, Code 2025,  
14 is amended to read as follows:

15 a. All completed applications shall be reviewed and scored on  
16 a competitive basis by the authority pursuant to rules adopted by  
17 the authority. In scoring applications, the authority may award  
18 additional points for all of the following:

19 (1) A housing project located in a community where no housing  
20 project has been awarded a tax incentive under the program in the  
21 immediately preceding three application periods.

22 (2) A housing project located in a community where a recent  
23 or planned business expansion, or a new business, has received  
24 a tax incentive or financial assistance under the high quality  
25 jobs program administered pursuant to subchapter II, part 13, the  
26 major economic growth attraction program administered pursuant to  
27 subchapter II, part 32, or the business incentives for growth  
28 program administered pursuant to subchapter II, part 33.

29 Sec. 6. Section 15.354, subsection 4, Code 2025, is amended  
30 by striking the subsection and inserting in lieu thereof the  
31 following:

32 4. *Maximum tax incentives amount.*

33 a. (1) In the fiscal year beginning July 1, 2025, and ending  
34 June 30, 2026, the authority shall not award an amount of tax  
35 credits in excess of thirty-nine million five hundred thousand

1 dollars.

2 (2) In the fiscal year beginning July 1, 2026, and ending  
3 June 30, 2027, the authority shall not award an amount of tax  
4 credits in excess of thirty-six million five hundred thousand  
5 dollars.

6 (3) In the fiscal year beginning July 1, 2027, and for each  
7 fiscal year thereafter, the authority shall not award an amount  
8 of tax credits in excess of thirty-five million dollars.

9 b. Of the tax credits allocated under paragraph "a", fifty  
10 percent of the allocation available in each fiscal year shall be  
11 reserved for allocation to qualified housing projects in small  
12 cities.

13 c. Notwithstanding paragraph "b", if the sum of the amount  
14 of tax incentives awarded in a given fiscal year for housing  
15 projects located in small cities based on the authority's  
16 review and scoring of applications does not exceed the amount  
17 reserved for housing projects located in small cities pursuant  
18 to paragraph "b", the authority may award the remaining amount  
19 of tax incentives reserved for housing projects located in small  
20 cities to other housing projects during that same fiscal year.

21 d. Tax credits revoked by the authority or irrevocably  
22 declined by a housing business before June 30 of the fiscal year  
23 following the award may be awarded during the fiscal year the  
24 revocation or declination occurs. Tax credits awarded pursuant  
25 to this paragraph shall not be counted against the tax credit  
26 limit established in paragraph "a".

27 e. The maximum aggregate amount of tax incentives that may be  
28 awarded and issued under section 15.355 to a housing business for  
29 a housing project shall not exceed one million dollars.

30 f. If a housing business qualifies for a higher amount  
31 of tax incentives under section 15.355 than is allowed by  
32 the limitation imposed in paragraph "e", the authority and  
33 the housing business may negotiate an apportionment of the  
34 reduction in tax incentives between the sales tax refund provided  
35 in section 15.355, subsection 2, and the workforce housing

1 investment tax credits provided in section 15.355, subsection 3,  
2 provided the total aggregate amount of tax incentives after the  
3 apportioned reduction does not exceed the amount in paragraph  
4 "e".

5 g. The authority shall issue tax incentives under the program  
6 on a first-come, first-served basis until the maximum amount of  
7 tax incentives allowed under paragraph "a" is reached.

8 Sec. 7. Section 15.354, subsection 6, paragraph d, Code 2025,  
9 is amended to read as follows:

10 d. The authority shall administer tax credit allocations for  
11 disaster recovery housing projects separately from the general  
12 allocation and separately from the allocation reserved for small  
13 cities in section 15.119, subsection 2, paragraph "g". The  
14 authority shall issue tax incentives under the program for  
15 disaster recovery housing projects on a first-come, first-served  
16 basis until the maximum amount of tax incentives allocated under  
17 section 15.119, subsection 5, is reached. The authority shall  
18 maintain a list of disaster recovery housing projects awarded tax  
19 incentives under the program, so that if the maximum aggregate  
20 amount of tax incentives allocated for disaster recovery housing  
21 projects under the program is reached in a given fiscal year,  
22 such disaster recovery housing projects that were completed but  
23 for which tax incentives were not issued shall be placed on a  
24 wait list in the order the disaster recovery housing projects  
25 were awarded tax incentives pursuant to paragraph "c", and shall  
26 be given priority for receiving tax incentives in succeeding  
27 fiscal years maximum tax credit amounts specified in section  
28 15.354, subsection 4, paragraphs "a" and "b".

29 DIVISION III

30 BUSINESS INCENTIVES FOR GROWTH PROGRAM

31 Sec. 8. NEW SECTION. **15.111 Assistance for certain programs**  
32 **and projects.**

33 1. a. Under the authority provided in section 15.106A, there  
34 shall be established one or more funds within the state treasury,  
35 under the control of the authority, to be used for purposes of

1 this section.

2     b. A fund established for purposes of this section shall  
3 consist of any moneys appropriated to the authority for purposes  
4 of this section, or moneys otherwise accruing to the authority  
5 and deposited in the fund for purposes of this section.

6     c. Interest or earnings on moneys in a fund used for the  
7 purposes of this section, and all repayments or recaptures of  
8 the assistance provided under this section, shall accrue to  
9 the authority and shall be used for purposes of this section,  
10 notwithstanding section 12C.7. Moneys in a fund are not subject  
11 to section 8.33.

12     2. a. The moneys in a fund established for purposes of this  
13 section, as described in subsection 1, shall be allocated by the  
14 authority in appropriate amounts to be used for the following  
15 purposes:

16     (1) For program support. For purposes of this subparagraph,  
17 "program support" means the services necessary for the efficient  
18 administration of a program administered by the authority,  
19 including but not limited to administrative costs, conducting  
20 a statewide laborshed study in coordination with the department  
21 of workforce development, outreach to business and marketing  
22 programs, the procurement of technical assistance, and the  
23 implementation of information technology.

24     (2) For deposit in the innovation and commercialization  
25 development fund created pursuant to section 15.412.

26     (3) For providing financial assistance to businesses engaged  
27 in disaster recovery. For purposes of this subparagraph,  
28 "business engaged in disaster recovery" means a business located  
29 in an area declared a disaster area by a federal official,  
30 that has sustained physical damage, has closed as a result of  
31 a natural disaster, and has a plan for reopening that includes  
32 employing a substantial number of the employees the business  
33 employed before the natural disaster occurred.

34     (4) For deposit in the entrepreneur investment awards program  
35 fund pursuant to section 15E.363.

1 (5) For deposit in a fund created for purposes of the  
2 strategic infrastructure program established pursuant to section  
3 15.313.

4 (6) For deposit in the nuisance property remediation fund  
5 established pursuant to section 15.338.

6 (7) For deposit in the community catalyst building  
7 remediation fund established pursuant to section 15.231.

8 (8) For providing financial assistance to eligible businesses  
9 for the business incentives for growth program pursuant to  
10 section 15.504.

11 b. Each fiscal year, the authority shall estimate the amount  
12 of revenues available for purposes of this section and shall  
13 develop a budget appropriate for the expenditure of the revenues  
14 available.

15 Sec. 9. NEW SECTION. **15.502 Short title.**

16 This part shall be known and may be cited as the "*Business*  
17 *Incentives for Growth Program*" or "*BIG Program*".

18 Sec. 10. NEW SECTION. **15.503 Definitions.**

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

20 1. "*Base employment level*" means the number of full-time  
21 equivalent positions at a business, as established by the  
22 authority and the business using the business's payroll records,  
23 as of the date the business applies for tax incentives under the  
24 program.

25 2. "*Benefits*" means nonwage compensation provided to an  
26 employee. "*Benefits*" include medical and dental insurance, a  
27 pension, a retirement plan, a profit-sharing plan, child care,  
28 life insurance, vision insurance, and disability insurance.

29 3. "*Community*" means a city, county, or entity established  
30 pursuant to chapter 28E.

31 4. "*Contract completion*" means the date of completion of  
32 the terms of a contract between a contractor and an eligible  
33 business.

34 5. "*Contractor*" means a person that has executed a contract  
35 with an eligible business for the provision of property,

1 materials, or services for the construction or equipping of a  
2 facility that is part of the eligible business's project.

3 6. "*Created jobs*" or "*create jobs*" means new, permanent,  
4 full-time equivalent positions added to an eligible business's  
5 payroll, at the location of the eligible business's project, in  
6 excess of the eligible business's base employment level.

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

9 8. "*Eligible business*" means a business that meets the  
10 requirements of section 15.504.

11 9. "*Full-time equivalent position*" means a non-part-time  
12 position for the number of hours or days per week considered to  
13 be full-time work for the kind of service or work performed for  
14 an employer. Typically, a full-time equivalent position requires  
15 two thousand eighty hours of work in a calendar year, including  
16 all paid holidays, vacations, sick time, and other paid leave.

17 10. "*Program*" means the business incentives for growth  
18 program.

19 11. "*Project*" means an activity or set of activities directly  
20 related to the start-up, location, modernization, or expansion  
21 of an eligible business and proposed in an eligible business's  
22 application to the program, that will accomplish the goals of the  
23 program.

24 12. "*Project completion date*" means the date by which an  
25 eligible business that has been approved by the authority to  
26 participate in the program agrees to complete the terms and  
27 conditions of the agreement under section 15.506.

28 13. "*Project completion period*" means the period of time  
29 between the date the authority approves an eligible business to  
30 participate in the program and the project completion date.

31 14. "*Qualifying investment*" means a capital investment in  
32 real property, including the purchase price of the land and  
33 existing buildings and structures, site preparation, improvements  
34 to the real property, building construction, and long-term lease  
35 costs. "*Qualifying investment*" also means a capital investment

1 in depreciable assets for use in the operation of an eligible  
2 business.

3 15. "Qualifying wage threshold" means the mean wage level  
4 represented by the wages within two standard deviations of  
5 the mean wage within the laborshed area in which the eligible  
6 business is located, as calculated by the authority by rule,  
7 using the most current covered wage and employment data available  
8 from the department of workforce development for the laborshed  
9 area in which the eligible business is located.

10 16. "Retained job" means a full-time equivalent position that  
11 is in existence at the time an eligible business applies for the  
12 program that remains continuously filled, and that is at risk  
13 of elimination if the proposed project for which the eligible  
14 business is applying to the program does not proceed.

15 17. "Subcontractor" means a person that contracts with a  
16 contractor for the provision of property, materials, or services  
17 for the construction or equipping of a facility that is part of  
18 an eligible business's project.

19 18. "Tax incentives" means tax credits, tax refunds, or tax  
20 exemptions authorized under the program by the authority for an  
21 eligible business.

22 Sec. 11. NEW SECTION. **15.504 Eligible business.**

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

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

27 b. (1) The business must be primarily engaged in advanced  
28 manufacturing, bioscience, insurance and finance, or technology  
29 and innovation. The business shall not be a data center  
30 business, a retail business, or a business where a cover charge  
31 or membership requirement restricts certain individuals from  
32 entering the business.

33 (2) Factors the authority shall consider to determine if  
34 a business is primarily engaged in advanced manufacturing,  
35 biosciences, insurance and finance, or technology and innovation

1 shall include but are not limited to all of the following:

2 (a) The business's North American industry classification  
3 system code.

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

5 (c) The business's customer base.

6 c. (1) The business must not be solely relocating operations  
7 from one area of the state to another area of the state.  
8 A proposed project that does not create jobs or involve a  
9 substantial amount of new capital investment shall be presumed  
10 to be a relocation of operations. For purposes of this  
11 subparagraph, the authority shall consider a letter from the  
12 affected local community's government officials supporting the  
13 business's move away from the affected local community in  
14 making a determination whether the business is solely relocating  
15 operations.

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

20 d. The business must offer comprehensive benefits to each  
21 full-time equivalent employee employed at the project. The  
22 authority may adopt rules under chapter 17A to determine  
23 the procedure for establishing requirements for comprehensive  
24 benefits.

25 e. (1) The business must not have a record of violations of  
26 the law or of rules, including but not limited to antitrust,  
27 environmental, trade, or worker safety, that over a period of  
28 time show a consistent pattern or that establish the business's  
29 intentional, criminal, or reckless conduct in violation of such  
30 laws or rules.

31 (2) If the authority determines that the business has a  
32 record of violations described in subparagraph (1), and the  
33 authority finds that the violations did not seriously affect  
34 public health, public safety, or the environment, the business  
35 may be eligible to qualify for the program.

1 (3) If the authority determines that the business has a  
2 record of violations described in subparagraph (1), and the  
3 authority finds that there were mitigating circumstances related  
4 to the violations, the business may be eligible to qualify for  
5 the program.

6 (4) In making determinations and findings under subparagraphs  
7 (2) and (3), and making a determination whether a business is  
8 disqualified from the program, the authority shall be exempt from  
9 chapter 17A.

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

13 a. The impact of the business's proposed project on  
14 businesses that are in competition with the business. The  
15 authority shall make a good-faith effort to identify existing  
16 Iowa businesses in competition with the business being considered  
17 for the program. The authority shall make a good-faith effort to  
18 determine the probability that any proposed tax incentives will  
19 displace employees of the competing businesses.

20 b. The business's proposed project's economic impact on the  
21 state. The authority shall place greater emphasis on businesses  
22 and proposed projects that meet the following requirements:

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

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

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

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

29 (5) The proposed project has the potential to increase  
30 productivity, efficiency, and competitiveness through adoption  
31 and integration of smart technologies including specialized  
32 hardware, software, or other equipment.

33 (6) The proposed project has the potential to increase the  
34 state's overall gross domestic product.

35 (7) Any other factors the authority deems relevant in

1 determining the economic impact of a proposed project.

2 Sec. 12. NEW SECTION. **15.505 Applications — authorization**  
3 **of tax credits and exemptions.**

4 1. a. Applications for the program shall be submitted to the  
5 authority in the form and manner prescribed by the authority by  
6 rule. Each application must be accompanied by an application fee  
7 in an amount determined by the authority by rule.

8 b. For a proposed project that will result in elevated water  
9 consumption by the business, the application shall be accompanied  
10 by a water conservation and waste reduction plan, and shall be  
11 submitted to the authority in the form and manner prescribed by  
12 the authority by rule.

13 2. In determining the eligibility of a business to  
14 participate in the program, the authority may engage outside  
15 experts to complete a technical, financial, or other review of  
16 an application submitted by a business.

17 3. a. The authority and the board may negotiate with an  
18 eligible business regarding the terms of, and the aggregate value  
19 of, the tax incentives the eligible business may receive under  
20 the program. The maximum aggregate value of the tax incentives  
21 that any one eligible business may receive shall not exceed five  
22 percent of the eligible business's qualifying investment, unless  
23 the eligible business's project is located in a rural county,  
24 in which case the maximum aggregate value of tax incentives  
25 that any one eligible business may receive shall not exceed  
26 seven and one-half percent of the eligible business's qualifying  
27 investment. For purposes of this paragraph, "rural county" means  
28 a county in the state with a population of twenty thousand or  
29 less based on the most recent decennial census released by the  
30 United States census bureau.

31 b. The board may authorize any combination of tax incentives  
32 available under the program for an eligible business.

33 4. The board shall not authorize an award under this part  
34 before January 1, 2026.

35 Sec. 13. NEW SECTION. **15.506 Agreement.**

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

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

9 b. If the eligible business fails to comply with any  
10 requirements of the program or the agreement, as determined by  
11 the authority, the eligible business may be required to repay  
12 any tax incentives the authority issued to the eligible business.  
13 After a final determination by the authority, the authority will  
14 notify the department of revenue of any required repayment of a  
15 tax incentive, which shall be considered a tax payment due and  
16 payable to the department of revenue by any taxpayer that claimed  
17 the tax incentive, and the failure to make the repayment may be  
18 treated by the department of revenue in the same manner as a  
19 failure to pay the tax shown due, or required to be shown due,  
20 with the filing of a return or deposit form. A county shall have  
21 the authority to take action to recover the value of property  
22 taxes not collected as a result of the exemption provided to the  
23 business under this part.

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

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

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

32 d. The project completion date, the agreement end date,  
33 the base employment level, any retained jobs, the number of  
34 created jobs, the qualifying wage threshold that is applicable  
35 to the project, the amount of qualifying investment, the maximum

1 aggregate value of the tax incentives authorized by the board,  
2 and any other terms and obligations the authority deems necessary  
3 or material to the determination of the business's eligibility  
4 for the program, or the aggregate value of tax incentives  
5 approved by the board.

6 e. The eligible business shall only employ individuals  
7 legally authorized to work in this state. If the eligible  
8 business is found to knowingly employ individuals who are  
9 not legally authorized to work in this state, in addition to  
10 any penalties provided by law, all or a portion of any tax  
11 incentives issued by the authority shall be subject to repayment  
12 as described in section 15.506, subsection 1, paragraph "b".

13 f. Any terms deemed necessary by the authority to effect the  
14 eligible business's ongoing compliance with section 15.504.

15 2. The business shall satisfy all applicable terms of the  
16 agreement by the project completion date; however, the board may  
17 for good cause extend the project completion date or otherwise  
18 amend the terms of the agreement. The board shall not amend  
19 the terms of the agreement to allow an increase in the maximum  
20 aggregate value of the tax incentives authorized by the board  
21 under section 15.505, subsection 3.

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. 14. NEW SECTION. 15.507 Sales and use tax refund.**

31 1. An eligible business that has been issued a tax incentive  
32 certificate under the program shall be entitled to a refund, as  
33 negotiated under section 15.505, subsection 3, of the sales and  
34 use taxes paid under chapter 423 for gas, electricity, water,  
35 and sewer utility services, tangible personal property, or on

1 services rendered, furnished, or performed to or for a contractor  
2 or subcontractor and used in the fulfillment of a written  
3 contract for the construction or equipping of a facility that is  
4 part of the eligible business's project. Taxes attributable to  
5 intangible property and furniture and furnishings shall not be  
6 refunded.

7 2. To receive the sales and use tax refund, the eligible  
8 business shall file a claim with the department of revenue as  
9 follows:

10 a. The contractor or subcontractor shall state under oath,  
11 on forms provided by the department of revenue, the amount of  
12 the sales of tangible personal property or services rendered,  
13 furnished, or performed including water, sewer, gas, and electric  
14 utility services upon which sales or use tax has been paid during  
15 the period for which the refund is claimed, and shall submit the  
16 forms to the eligible business before contract completion.

17 b. The eligible business shall, no more frequently than  
18 quarterly, submit an application to the department of revenue  
19 for a refund of the amount of the sales and use taxes paid  
20 pursuant to chapter 423 upon any tangible personal property,  
21 or services rendered, furnished, or performed, including water,  
22 sewer, gas, and electric utility services. The application  
23 shall be submitted in the form and manner prescribed by the  
24 department of revenue. The department of revenue shall audit the  
25 application and, if approved, issue a warrant or warrants to the  
26 eligible business in the amount of the sales or use tax which has  
27 been paid to the state of Iowa under subsection 1. The eligible  
28 business's final application must be submitted to the department  
29 of revenue within one year after the project completion date.  
30 An application filed by the eligible business in accordance with  
31 this section shall not be denied by reason of a time limitation  
32 for filing a refund claim set forth in section 423.47.

33 c. The refund shall be remitted by the department of revenue  
34 to the eligible business as soon as practicable after completion  
35 of the audit pursuant to paragraph "b". Interest shall not

1 accrue on any part of the refund that has not yet been remitted  
2 by the department of revenue to the eligible business.

3 3. A contractor or subcontractor that willfully makes a false  
4 report of tax paid under this section is guilty of an aggravated  
5 misdemeanor, and shall be liable for payment of the tax and any  
6 applicable penalty and interest.

7 Sec. 15. NEW SECTION. **15.508 Qualifying investment tax**  
8 **credit.**

9 1. The authority may authorize a tax credit for an eligible  
10 business pursuant to section 15.505, subsection 3. The authority  
11 shall not issue a tax credit certificate to the eligible business  
12 until the eligible business's project or a portion of the project  
13 has been placed in service. An eligible business may claim  
14 the tax credit authorized and issued by the authority. The  
15 tax credit shall be amortized to the eligible business equally  
16 over five tax years. The tax credit shall be allowed against  
17 taxes imposed under chapter 422, subchapter II, III, or V, and  
18 against the moneys and credits tax imposed in section 533.329.  
19 If the eligible business is a partnership, S corporation, limited  
20 liability company, cooperative organized under chapter 501 and  
21 filing as a partnership for federal tax purposes, or estate  
22 or trust electing to have the income taxed directly to the  
23 individual, an individual may claim the tax credit allowed.  
24 The amount claimed by the individual shall be based upon the  
25 pro rata share of the individual's earnings of the partnership,  
26 S corporation, limited liability company, cooperative organized  
27 under chapter 501 and filing as a partnership for federal tax  
28 purposes, or estate or trust. Any tax credit in excess of  
29 the eligible business's tax liability for the tax year may be  
30 refunded. In lieu of claiming a refund, an eligible business may  
31 elect to have the overpayment shown on the eligible business's  
32 final, completed return credited to the eligible business's tax  
33 liability for the immediately succeeding tax year. A tax credit  
34 shall not be carried back to a tax year prior to the tax year in  
35 which the tax credit is first claimed by the eligible business.

1     2. If within five years of the date the authority issues an  
2 eligible business a tax credit under subsection 1 the eligible  
3 business sells, disposes of, razes, or otherwise renders unusable  
4 all or a part of the land, buildings, or other structures for  
5 which the tax credit was claimed under this section, the tax  
6 liability of the eligible business for the year in which all or  
7 part of the land, buildings, or other existing structures are  
8 sold, disposed of, razed, or otherwise rendered unusable shall be  
9 increased by one of the following amounts:

10     a. One hundred percent of the tax credit claimed under this  
11 section if all or a part of the land, buildings, or other  
12 structures for which the tax credit was claimed under this  
13 section cease to be eligible for the tax credit within one  
14 year after the date the authority issued the tax credit to the  
15 eligible business.

16     b. Eighty percent of the tax credit claimed under this  
17 section if all or a part of the land, buildings, or other  
18 structures for which the tax credit was claimed under this  
19 section cease to be eligible for the tax credit within two  
20 years after the date the authority issued the tax credit to the  
21 eligible business.

22     c. Sixty percent of the tax credit claimed under this section  
23 if all or a part of the land, buildings, or other structures for  
24 which the tax credit was claimed under this section cease to be  
25 eligible for the tax credit within three years after the date the  
26 authority issued the tax credit to the eligible business.

27     d. Forty percent of the tax credit claimed under this section  
28 if all or a part of the land, buildings, or other structures for  
29 which the tax credit was claimed under this section cease to be  
30 eligible for the tax credit within four years after the date the  
31 authority issued the tax credit to the eligible business.

32     e. Twenty percent of the tax credit claimed under this  
33 section if all or a part of the land, buildings, or other  
34 structures for which the tax credit was claimed under this  
35 section cease to be eligible for the tax credit within five

1 years after the date the authority issued the tax credit to the  
2 eligible business.

3 *f.* Except as provided in section 15.119, subsection 1,  
4 paragraph "b", the board shall not authorize for any one  
5 fiscal year an amount of tax credits pursuant to this section  
6 that exceeds the amount allocated pursuant to section 15.119,  
7 subsection 2.

8 Sec. 16. NEW SECTION. **15.509 Other incentives.**

9 1. An eligible business may apply for and be eligible to  
10 receive other federal, state, and local incentives in addition  
11 to the tax incentives issued by the authority to the eligible  
12 business under the program.

13 2. The authority, in its discretion, may prohibit an eligible  
14 business that has been issued tax incentives under the program  
15 from receiving any additional tax incentive, tax credit,  
16 grant, loan, or other financial assistance under any program  
17 administered by the authority.

18 Sec. 17. NEW SECTION. **15.510 Property tax exemption.**

19 1. If an eligible business has been authorized by the board  
20 to receive tax incentives under the program, a community in which  
21 the eligible business's project is located may grant the eligible  
22 business a property tax exemption for a portion of the actual  
23 value added by improvements to real property through the project.  
24 The community may allow a property tax exemption for a period not  
25 to exceed ten years beginning the year that the improvements to  
26 real property are first assessed for taxation.

27 2. For purposes of this section, "improvements" means new  
28 construction, and rehabilitation of and additions to existing  
29 structures.

30 3. A property tax exemption granted under subsection 1 shall  
31 apply to all taxing districts, except for school districts, in  
32 which the real property is located.

33 Sec. 18. NEW SECTION. **15.511 Financial assistance for  
34 certain eligible businesses.**

35 1. The authority may provide financial assistance to an

1 eligible business pursuant to section 15.111, subsection 2,  
2 paragraph "a", subparagraph (8), if the authority and the board  
3 find such assistance necessary to facilitate the project's  
4 successful completion, that the project has an extensive economic  
5 impact, or that financial assistance will incentivize an eligible  
6 business to choose an Iowa location, rather than an out-of-state  
7 location, for the project.

8 2. Each eligible business receiving assistance under this  
9 section shall enter into an agreement with the authority and  
10 the agreement shall meet the requirements of section 15.506.  
11 The agreement shall specify the circumstances under which the  
12 financial assistance must be repaid to the authority.

13 3. If the authority and the board determine financial  
14 assistance should be awarded, the authority and the board shall  
15 determine the appropriate amount and type of assistance for  
16 facilitating the eligible business's project.

17 4. For purposes of this section, "*financial assistance*" means  
18 assistance provided exclusively from the funds, rights, and  
19 assets legally available to the authority pursuant to this  
20 chapter and includes but is not limited to assistance in the form  
21 of grants, loans, forgivable loans, and royalty payments.

22 Sec. 19. CODE EDITOR DIRECTIVE. The Code editor is directed  
23 to designate sections 15.502 through 15.511, as enacted in this  
24 division of this Act, as part 33 of subchapter II.

25 Sec. 20. EFFECTIVE DATE. This division of this Act, being  
26 deemed of immediate importance, takes effect upon enactment.

27 DIVISION IV

28 ELIMINATION OF THE HIGH QUALITY JOBS PROGRAM

29 Sec. 21. REPEAL. Sections 15.326, 15.327, 15.329, 15.330,  
30 15.330A, 15.331A, 15.331C, 15.332, 15.333, 15.333A, 15.335,  
31 15.335A, 15.335B, 15.335C, and 15.336, Code 2025, are repealed.

32 Sec. 22. TRANSITION PROVISIONS.

33 1. An agreement entered into on or before December 31, 2025,  
34 by a business and the economic development authority pursuant  
35 to section 15.330, Code 2025, or amended pursuant to section

1 15.330A, Code 2025, shall be valid and continue per the terms of  
2 the agreement.

3 2. On the effective date of this division of this Act, all  
4 moneys appropriated by the general assembly to the authority  
5 for purposes of section 15.335B shall remain available to the  
6 authority for purposes of section 15.111, as enacted by this Act.  
7 Notwithstanding section 8.33, moneys transferred in accordance  
8 with this section that remain unencumbered or unobligated at  
9 the close of the fiscal year shall not revert but shall remain  
10 available for expenditure for the purposes designated until the  
11 close of the succeeding fiscal year.

12 Sec. 23. PRESERVATION OF EXISTING RIGHTS. This division of  
13 this Act shall not limit, modify, or otherwise adversely affect  
14 any amount of tax incentive issued, awarded, or allowed before  
15 December 31, 2025, nor shall it limit, modify, or otherwise  
16 adversely affect a taxpayer's right to claim or redeem a tax  
17 incentive issued, awarded, or allowed before December 31, 2025,  
18 including but not limited to any tax credit carry forward amount.

19 Sec. 24. EFFECTIVE DATE. This division of this Act takes  
20 effect December 31, 2025.

21 DIVISION V

22 HIGH QUALITY JOBS PROGRAM

23 CONFORMING CHANGES

24 Sec. 25. Section 2.48, subsection 3, paragraph a,  
25 subparagraph (1), Code 2025, is amended by striking the  
26 subparagraph.

27 Sec. 26. Section 2.48, subsection 3, paragraph a,  
28 subparagraph (2), Code 2025, is amended to read as follows:

29 (2) The tax credits for increasing research activities  
30 available under sections ~~15.335~~, 422.10~~7~~ and 422.33.

31 Sec. 27. Section 8G.3, subsection 8, Code 2025, is amended to  
32 read as follows:

33 8. "Tax exemption or credit" means an exclusion from the  
34 operation or collection of a tax imposed in this state. Tax  
35 exemption or credit includes tax credits, exemptions, deductions,

1 and rebates. "Tax exemption or credit" also includes sales tax  
2 refunds if such refunds are applied for and granted as a form  
3 of financial assistance, including but not limited to the refunds  
4 allowed in sections ~~15.331A~~ 15.507 and 423.4.

5 Sec. 28. Section 15.106B, subsection 5, paragraph b, Code  
6 2025, is amended to read as follows:

7 b. Fees collected by the authority pursuant to this  
8 subsection shall be deposited in a fund within the state treasury  
9 created pursuant to section 15.106A, subsection 1, paragraph  
10 "o", and are appropriated to the authority for the purposes set  
11 out in section 15.106A, subsection 1, paragraph "o". However,  
12 fees collected by the authority pursuant to section 15.330,  
13 subsection 12, ~~section 15E.198, Code 2014,~~ Code 2025, and section  
14 15.354, subsection 3, paragraph "b", shall be used exclusively  
15 for costs associated with the administration of due diligence and  
16 compliance.

17 Sec. 29. Section 15.293B, subsection 3, Code 2025, is amended  
18 to read as follows:

19 3. If an investor is awarded a tax credit pursuant to this  
20 section, the authority and the investor shall enter into an  
21 agreement concerning the qualifying redevelopment project. If  
22 the investor fails to comply with any of the requirements of  
23 the agreement, the authority may find the investor in default  
24 under the agreement and may revoke all or a portion of the tax  
25 credit award. ~~The department of revenue, upon notification by~~  
26 ~~the authority of an event of default, shall seek repayment of~~  
27 ~~the value of any such tax credit already claimed in the same~~  
28 ~~manner as provided in section 15.330, subsection 2.~~ After a  
29 final determination by the authority, the authority shall notify  
30 the department of revenue of any required repayment or recapture  
31 of a tax credit. The repayment or recapture of a tax credit  
32 pursuant to this subsection shall be considered a tax payment due  
33 and payable to the department of revenue by any taxpayer who has  
34 claimed the tax credit, and the failure to make such a repayment  
35 may be treated by the department of revenue in the same manner as

1 a failure to pay the tax shown due or required to be shown due  
2 with the filing of a return or deposit form.

3 Sec. 30. Section 15.317, subsection 5, Code 2025, is amended  
4 to read as follows:

5 5. The business shall not be relocating or reducing  
6 operations as ~~described in section 15.329, subsection 1,~~  
7 paragraph "b" follows, and as determined under the discretion of  
8 the authority-:

9 a. The business shall not be solely relocating operations  
10 from one area of the state. A project that does not create new  
11 jobs or involve a substantial amount of new capital investment  
12 shall be presumed to be a relocation. In determining whether  
13 a business is solely relocating operations for purposes of this  
14 paragraph, the authority shall consider a letter of support for  
15 the move from the affected local community.

16 b. The business shall not be in the process of reducing  
17 operations in one community while simultaneously applying for  
18 the program. For purposes of this paragraph, a reduction in  
19 operations within twelve months before or after an application is  
20 submitted to the authority shall be presumed to be a reduction in  
21 operations while simultaneously applying for assistance under the  
22 program.

23 c. This subsection shall not be construed to prohibit a  
24 business from expanding its operation in a community if existing  
25 operations of a similar nature in this state are not closed or  
26 substantially reduced.

27 Sec. 31. Section 15.318, subsection 2, paragraph b, Code  
28 2025, is amended to read as follows:

29 ~~b. The compliance~~ Compliance cost fees ~~authorized in section~~  
30 ~~15.330, subsection 12,~~ shall apply to all agreements entered into  
31 under this program and shall be collected by the authority ~~in~~  
32 ~~the same manner and to the same extent as described in that~~  
33 ~~subsection.~~ in the amount and manner as follows:

34 (1) The imposition of a one-time compliance cost fee of five  
35 hundred dollars to be collected by the authority prior to the

1 issuance of a tax incentive certificate.

2 (2) The imposition of a compliance cost fee equal to one-half  
3 of one percent of the value of tax incentives claimed pursuant  
4 to an agreement that has an aggregate tax incentive value of one  
5 hundred thousand dollars or greater. The authority shall collect  
6 the fee from the business after the tax incentive is claimed by  
7 the business from the department of revenue.

8 Sec. 32. Section 15.318, subsection 4, Code 2025, is amended  
9 to read as follows:

10 4. *Termination and repayment.* The failure by an eligible  
11 business in fulfilling any requirement of the program or any of  
12 the terms and obligations of an agreement entered into pursuant  
13 to this section may result in the reduction, termination, or  
14 rescission of the tax credits under section 15.319 and may  
15 subject the eligible business to the repayment or recapture of  
16 tax credits claimed. ~~The repayment or recapture of tax credits~~  
17 ~~pursuant to this subsection shall be accomplished in the same~~  
18 ~~manner as provided in section 15.330, subsection 2.~~  
19 After a final determination by the authority, the authority shall  
20 notify the department of revenue of any required repayment or  
21 recapture of a tax credit. The repayment or recapture of a  
22 tax credit pursuant to this subsection shall be considered a  
23 tax payment due and payable to the department of revenue by any  
24 taxpayer who has claimed the tax credit, and the failure to make  
25 such a repayment may be treated by the department of revenue in  
26 the same manner as a failure to pay the tax shown due or required  
27 to be shown due with the filing of a return or deposit form.

28 Sec. 33. Section 15.354, subsection 1, paragraph b,  
29 subparagraph (2), Code 2025, is amended to read as follows:

30 ~~(2) A report that meets the requirements and conditions of~~  
31 ~~section 15.330, subsection 9~~ submitted to the authority by a  
32 business together with its application describing all violations  
33 of environmental law or worker safety law within the last five  
34 years. If, upon review of the application, the authority  
35 finds that the business has a record of violations of the law,

1 statutes, or rules that tends to show a consistent pattern,  
2 the authority shall not provide incentives or assistance to the  
3 business unless the authority finds either that the violations  
4 did not seriously affect public health, public safety, or the  
5 environment, or, if such violations did seriously affect public  
6 health, public safety, or the environment, that mitigating  
7 circumstances were present.

8 Sec. 34. Section 15.354, subsection 1, paragraph c, Code  
9 2025, is amended to read as follows:

10 c. In addition to complying with all applicable requirements  
11 in paragraph "b", a housing business that chooses to be  
12 considered as an applicant for tax credits reserved pursuant  
13 ~~to section 15.119, subsection 5,~~ for disaster recovery housing  
14 projects shall also submit a certification that the applicant's  
15 housing project is located in a county that has been declared  
16 a major disaster by the president of the United States on or  
17 after March 12, 2019, and is also a county in which individuals  
18 are eligible for federal individual assistance. The housing  
19 business must also submit documentation that provides evidence  
20 that the qualified housing project is needed due to impact of the  
21 disaster that is the subject of the presidential major disaster  
22 declaration.

23 Sec. 35. Section 15.354, subsection 3, paragraph b, Code  
24 2025, is amended to read as follows:

25 b. ~~The compliance~~ Compliance cost fees ~~imposed in section~~  
26 ~~15.330, subsection 12,~~ shall apply to all agreements entered into  
27 under this program and shall be collected by the authority ~~in~~  
28 ~~the same manner and to the same extent as described in that~~  
29 ~~subsection.~~ in the amount and manner as follows:

30 (1) The imposition of a one-time compliance cost fee of five  
31 hundred dollars to be collected by the authority prior to the  
32 issuance of a tax incentive certificate.

33 (2) The imposition of a compliance cost fee equal to one-half  
34 of one percent of the value of tax incentives available pursuant  
35 to an agreement that has an aggregate tax incentive value of one

1 hundred thousand dollars or greater. The authority shall collect  
2 the fee from the housing business prior to the issuance of a tax  
3 incentive.

4 Sec. 36. Section 15.354, subsection 5, Code 2025, is amended  
5 to read as follows:

6 5. *Termination and repayment.* The failure by a housing  
7 business in completing a housing project to comply with any  
8 requirement of this program or any of the terms and obligations  
9 of an agreement entered into pursuant to this section may result  
10 in the revocation, reduction, termination, or rescission of the  
11 tax incentive award or the approved tax incentives and may  
12 subject the housing business to the repayment or recapture of  
13 tax incentives claimed under section 15.355. ~~The repayment or~~  
14 ~~recapture of tax incentives pursuant to this section shall be~~  
15 ~~accomplished in the same manner as provided in section 15.330,~~  
16 ~~subsection 2.~~ After a final determination by the authority,  
17 the authority shall notify the department of revenue of any  
18 required repayment or recapture of a tax credit. The repayment  
19 or recapture of a tax credit pursuant to this subsection shall  
20 be considered a tax payment due and payable to the department of  
21 revenue by any taxpayer who has claimed the tax credit, and the  
22 failure to make such a repayment may be treated by the department  
23 of revenue in the same manner as a failure to pay the tax shown  
24 due or required to be shown due with the filing of a return or  
25 deposit form.

26 Sec. 37. Section 15.355, subsection 2, paragraph b,  
27 subparagraph (3), subparagraph division (a), Code 2025, is  
28 amended to read as follows:

29 (a) The housing business shall, after the agreement  
30 completion date, make application to the department of revenue  
31 for any refund of the amount of sales and use taxes paid under  
32 chapter 423 prior to the completion of the housing project that  
33 were directly related to a housing project and specified in the  
34 agreement. The application shall be made in the manner and  
35 upon forms to be provided by the department of revenue. The

1 department of revenue shall audit the claim and, if approved,  
2 issue a warrant to the housing business. The application must  
3 be made within one year after the agreement completion date.  
4 A claim filed by the housing business in accordance with this  
5 subsection shall not be denied by reason of a time limitation  
6 ~~provision for filing a refund claim set forth in chapter 421 or~~  
7 ~~423 section 423.47.~~

8 Sec. 38. Section 15.499, subsection 1, Code 2025, is amended  
9 to read as follows:

10 1. Except for the ~~high quality jobs program administered by~~  
11 ~~the authority pursuant to sections 15.326 through 15.336, and~~  
12 ~~the targeted jobs withholding credit pursuant to section 403.19A,~~  
13 an eligible business may apply for and be eligible to receive  
14 other federal, state, and local incentives in addition to the tax  
15 incentives issued by the authority to the eligible business under  
16 the program.

17 Sec. 39. Section 15E.351, subsection 1, Code 2025, is amended  
18 to read as follows:

19 1. The authority shall establish and administer a business  
20 accelerator program to provide financial assistance for  
21 the establishment and operation of a business accelerator  
22 for technology-based, value-added agricultural, information  
23 solutions, alternative and renewable energy including the  
24 alternative and renewable energy sectors listed in section  
25 476.42, subsection 1, paragraph "a", subparagraph (1), or  
26 advanced manufacturing start-up businesses or for a satellite of  
27 an existing business accelerator. The program shall be designed  
28 to foster the accelerated growth of new and existing businesses  
29 through the provision of technical assistance. The authority  
30 may provide financial assistance under this section from moneys  
31 allocated for financial assistance for business accelerators  
32 pursuant to section ~~15.335B, subsection 2~~ 15.111.

33 Sec. 40. Section 15E.362, subsection 1, paragraph c, Code  
34 2025, is amended to read as follows:

35 c. "*Financial assistance*" means ~~the same as defined in~~

1 ~~section 15.327~~ assistance provided only from the funds, rights,  
2 and assets legally available to the authority pursuant to chapter  
3 15 and includes but is not limited to assistance in the form of  
4 grants, loans, forgivable loans, and royalty payments.

5 Sec. 41. Section 15H.5, subsection 2, Code 2025, is amended  
6 to read as follows:

7 2. The Iowa summer youth corps program is established  
8 to provide meaningful summer enrichment programming to Iowa  
9 youth. The program shall be administered by the commission  
10 using a competitive grant process to implement projects in  
11 accordance with program requirements. The commission shall adopt  
12 administrative rules for the program, including but not limited  
13 to incentives, grant criteria, and grantee selection processes.  
14 A percentage of the grants shall be designated by the commission  
15 to address the needs of economically distressed areas ~~as defined~~  
16 ~~in section 15.335C.~~

17 Sec. 42. Section 15H.5, subsection 5, paragraph c, Code 2025,  
18 is amended to read as follows:

19 c. The commission shall give priority consideration to  
20 approving those projects that target communities that have  
21 disproportionately high rates of juvenile crime or low rates  
22 of high school graduation or that have been designated as an  
23 economically distressed areas ~~as defined in section 15.335C~~area.

24 Sec. 43. Section 15H.5, Code 2025, is amended by adding the  
25 following new subsection:

26 NEW SUBSECTION. 7. For purposes of this section,  
27 "*economically distressed area*" means a county that meets at least  
28 three of the following criteria:

29 a. The county ranks among the thirty-three Iowa counties  
30 with the highest average monthly unemployment rates for the most  
31 recent twelve-month period based on the applicable local area  
32 unemployment statistics produced by the United States department  
33 of labor, bureau of labor statistics.

34 b. The county ranks among the thirty-three Iowa counties  
35 with the highest average annualized unemployment rates for the

1 most recent five-year period based on the applicable local area  
2 unemployment statistics produced by the United States department  
3 of labor, bureau of labor statistics.

4 c. The county ranks among the thirty-three Iowa counties with  
5 the lowest annual average weekly wages based on the most recent  
6 quarterly census of employment and wages published by the United  
7 States department of labor, bureau of labor statistics.

8 d. The county ranks among the thirty-three Iowa counties  
9 with the highest family poverty rates based on the most recent  
10 American community survey five-year estimate released by the  
11 United States census bureau.

12 e. The county ranks among the thirty-three Iowa counties with  
13 the highest percentage population loss. Percentage population  
14 loss shall be calculated by comparing the most recent population  
15 estimate produced by the United States census bureau to the most  
16 recent decennial census released by the United States census  
17 bureau, except for a calendar year in which the decennial census  
18 data is released, then the percentage population loss shall be  
19 calculated by comparing the population in the decennial census  
20 released that calendar year to the population in the decennial  
21 census released ten years prior.

22 f. The county ranks among the thirty-three Iowa counties  
23 with the highest percentage of persons sixty-five years of age  
24 or older based on the most recent American community survey  
25 five-year estimate released by the United States census bureau.

26 Sec. 44. Section 159A.6B, subsection 2, Code 2025, is amended  
27 to read as follows:

28 2. The office may execute contracts in order to provide  
29 technical support and outreach services for purposes of assisting  
30 and educating interested persons as provided in this section.  
31 The office may also contract with a consultant to provide part  
32 or all of these services. The office may require that a person  
33 receiving assistance pursuant to this section contribute up to  
34 fifty percent of the amount required to support the costs of  
35 contracting with the consultant to provide assistance to the

1 person. ~~The office shall assist the person in completing any~~  
2 ~~technical information required in order to receive assistance by~~  
3 ~~the economic development authority pursuant to section 15.335B.~~

4 Sec. 45. Section 422.10, subsection 5, Code 2025, is amended  
5 by striking the subsection.

6 Sec. 46. Section 422.11F, subsection 2, Code 2025, is amended  
7 to read as follows:

8 2. The taxes imposed under this subchapter, less the credits  
9 allowed under section 422.12, shall be reduced by investment  
10 tax credits authorized pursuant to ~~section 15.333 and section~~  
11 ~~15E.193B, subsection 6, Code 2014~~ sections 15.508 and 15.496.

12 Sec. 47. Section 422.33, subsection 5, paragraph h, Code  
13 2025, is amended by striking the paragraph.

14 Sec. 48. Section 422.33, subsection 12, paragraph b, Code  
15 2025, is amended to read as follows:

16 b. The taxes imposed under this subchapter shall be reduced  
17 by investment tax credits authorized pursuant to ~~section 15.333~~  
18 ~~and section 15E.193B, subsection 6, Code 2014~~ sections 15.508 and  
19 15.496.

20 Sec. 49. Section 422.33, subsection 19, Code 2025, is amended  
21 by striking the subsection.

22 Sec. 50. Section 422.60, subsection 5, paragraph b, Code  
23 2025, is amended to read as follows:

24 b. The taxes imposed under this subchapter shall be reduced  
25 by investment tax credits authorized pursuant to ~~sections 15.333~~  
26 ~~and 15E.193B, subsection 6, Code 2014~~ 15.508 and 15.496.

27 Sec. 51. Section 422.60, subsection 8, Code 2025, is amended  
28 by striking the subsection.

29 Sec. 52. Section 427B.17, subsection 8, paragraph b, Code  
30 2025, is amended to read as follows:

31 b. Any electric power generating plant which operated during  
32 the preceding assessment year at a net capacity factor of more  
33 than twenty percent, shall not receive the benefits of this  
34 ~~section or of section 15.332.~~

35 Sec. 53. Section 432.12C, subsection 2, Code 2025, is amended

1 to read as follows:

2 2. The taxes imposed under this chapter shall be reduced by  
3 investment tax credits authorized pursuant to ~~section 15.333A~~  
4 ~~and section 15E.193B, subsection 6, Code 2014~~ sections 15.508 and  
5 15.496.

6 Sec. 54. Section 455B.104, subsection 2, Code 2025, is  
7 amended by striking the subsection.

8 Sec. 55. Section 533.329, subsection 2, paragraph c, Code  
9 2025, is amended by striking the paragraph.

10 Sec. 56. Section 533.329, subsection 2, paragraph d, Code  
11 2025, is amended to read as follows:

12 d. The moneys and credits tax imposed under this section  
13 shall be reduced by an investment tax credit authorized pursuant  
14 to ~~section 15.333~~ sections 15.508 and 15.496.

15 Sec. 57. REPEAL. Sections 15E.231, 15E.232, 15E.233, 266.19,  
16 422.11U, and 432.12H, Code 2025, are repealed.

17 Sec. 58. PRESERVATION OF EXISTING RIGHTS. The sections of  
18 this division of this Act amending sections 422.10, 422.11F,  
19 422.11U, 422.33, 422.60, 432.12C, 432.12H, and 533.329 shall  
20 not limit, modify, or otherwise adversely affect any amount of  
21 tax incentive issued, awarded, or allowed before December 31,  
22 2025, nor shall it limit, modify, or otherwise adversely affect  
23 a taxpayer's right to claim or redeem a tax incentive issued,  
24 awarded, or allowed before December 31, 2025, including but not  
25 limited to any tax credit carryforward amount.

26 Sec. 59. EFFECTIVE DATE. This division of this Act takes  
27 effect December 31, 2025.

28 DIVISION VI

29 SEED INVESTOR TAX CREDIT PROGRAM AND INNOVATION FUND INVESTMENT  
30 TAX CREDITS

31 Sec. 60. NEW SECTION. **15E.25 Purpose.**

32 The purpose of this subchapter is to stimulate job growth,  
33 create wealth, and accelerate the creation of new ventures by  
34 using investment tax credits to incentivize the transfer of  
35 capital from investors to entrepreneurs, particularly during

1 early-stage growth.

2 Sec. 61. NEW SECTION. **15E.26 Definitions.**

3 For purposes of this subchapter, unless the context otherwise  
4 requires:

5 1. "*Affiliate*" means a spouse, child, or sibling of an  
6 investor or a corporation, partnership, or trust in which an  
7 investor has a controlling equity interest or in which an  
8 investor exercises management control.

9 2. "*Authority*" means the economic development authority  
10 created in section 15.105.

11 3. "*Entrepreneurial assistance program*" includes the  
12 entrepreneur investment awards program administered under section  
13 15E.362, the receipt of services from a service provider  
14 engaged pursuant to section 15.411, subsection 1, or the program  
15 administered under section 15.411, subsection 2.

16 4. "*Investment*" means a minimum cash investment of ten  
17 thousand dollars in a qualifying business.

18 5. "*Investor*" means a person making a cash investment in a  
19 qualifying business. "*Investor*" does not include a person that  
20 holds at least a seventy percent ownership interest as an owner,  
21 member, or shareholder in a qualifying business.

22 6. "*Qualifying business*" means a business meeting the  
23 criteria defined in section 15E.28.

24 7. "*Rural area*" means a city that has a population of fifteen  
25 thousand or less based on the most recent decennial census  
26 released by the United States census bureau.

27 8. "*Urban area*" means a city that has a population of greater  
28 than fifteen thousand based on the most recent decennial census  
29 released by the United States census bureau.

30 Sec. 62. NEW SECTION. **15E.27 Investment tax credits.**

31 1. a. For tax years beginning on or after January 1, 2025,  
32 a tax credit shall be allowed against the taxes imposed in  
33 chapter 422, subchapters II, III, and V, and in chapter 432, and  
34 against the moneys and credits tax imposed in section 533.329,  
35 for a portion of a taxpayer's equity investment, as provided in

1 subsection 2, in a qualifying business.

2     *b.* An individual may claim a tax credit under this section  
3 of a partnership, limited liability company, S corporation,  
4 estate, or trust electing to have income taxed directly to the  
5 individual. The amount claimed by the individual shall be based  
6 upon the pro rata share of the individual's earnings from the  
7 partnership, limited liability company, S corporation, estate, or  
8 trust.

9     *c.* A tax credit shall be allowed only for an investment made  
10 in the form of cash to purchase equity in a qualifying business.

11     *d.* An affiliate of a qualifying business or an affiliate of a  
12 qualifying business's principals shall not be eligible for a tax  
13 credit under this section.

14     *e.* (1) For a tax credit claimed against the taxes imposed  
15 on any of the following, any tax credit in excess of the tax  
16 liability is refundable:

17         *(a)* A tax credit claimed against the taxes imposed in chapter  
18 422, subchapters II, III, and V.

19         *(b)* A tax credit claimed against the taxes imposed in chapter  
20 432.

21         *(c)* A tax credit claimed against the moneys and credits tax  
22 imposed in section 533.329.

23         (2) A tax credit shall not be carried back to a tax year  
24 prior to the tax year in which the taxpayer redeems the tax  
25 credit.

26     *f.* In lieu of claiming a refund, a taxpayer may elect to have  
27 the overpayment shown on the taxpayer's final, completed return  
28 credited to the tax liability for the immediately succeeding tax  
29 year.

30     2. *a.* The amount of the tax credit shall equal twenty  
31 percent of the taxpayer's equity investment if the qualifying  
32 business is located in an urban area at the time of the  
33 investment. The amount of the tax credit shall equal thirty-five  
34 percent of the taxpayer's equity investment if the qualifying  
35 business is located in a rural area at the time of the

1 investment.

2     b. (1) The maximum amount of a tax credit that may be issued  
3 per fiscal year to a natural person and the person's spouse or  
4 dependent shall not exceed one hundred thousand dollars combined.  
5 For purposes of this subparagraph, "dependent" has the same  
6 meaning as defined by the Internal Revenue Code.

7     (2) The maximum amount of a tax credit that may be issued per  
8 fiscal year to a corporation or other entity shall not exceed one  
9 hundred thousand dollars.

10     (3) An application received by the authority that exceeds  
11 the maximum amount of tax credits permitted by this paragraph  
12 shall be denied, in whole or in part, regardless of whether  
13 the investment would otherwise be eligible to qualify for a tax  
14 credit.

15     (4) For purposes of this paragraph, a tax credit issued to a  
16 partnership, limited liability company, S corporation, estate, or  
17 trust electing to have income taxed directly to the individual  
18 shall be deemed to be issued to the individual owners based upon  
19 the pro rata share of the individual's earnings from the entity.

20     c. The maximum amount of tax credits that may be issued per  
21 fiscal year for equity investments in any one qualifying business  
22 shall not exceed five hundred thousand dollars. An application  
23 received by the authority that exceeds the maximum amount of tax  
24 credits permitted by this paragraph shall be denied, in whole or  
25 in part, regardless of whether the investment would otherwise be  
26 eligible to qualify for a tax credit.

27     3. An investment shall be deemed to have been made on the  
28 same date as the date of acquisition of the equity interest as  
29 determined by the Internal Revenue Code.

30     4. The authority shall not issue tax credits under this  
31 section in excess of the amount approved by the authority for  
32 any one fiscal year pursuant to section 15.119, subsection 2,  
33 paragraph "a".

34     5. A tax credit shall not be transferred to any other person.

35     6. The authority shall develop a system for registration and

1 issuance of tax credits authorized pursuant to this subchapter  
2 and shall control distribution of all tax credit certificates  
3 to investors pursuant to this subchapter. The authority  
4 shall develop rules for the qualification and administration of  
5 qualifying businesses. The department of revenue shall adopt  
6 rules pursuant to chapter 17A as necessary for the administration  
7 of this subchapter.

8 Sec. 63. NEW SECTION. **15E.28 Qualifying businesses.**

- 9 1. To determine whether a business is a qualifying business,  
10 a business shall submit an application to the authority that is  
11 accompanied by a nonrefundable application fee. A business must  
12 be certified by the authority as a qualifying business in order  
13 for an investor's equity investment to qualify for a tax credit.
- 14 2. In order to be a qualifying business, a business must meet  
15 all of the following criteria:
- 16 a. The principal business operations, and a majority of  
17 employees, of the business are located in this state.
  - 18 b. The business has been in operation for five years or less.
  - 19 c. The business has at least one full-time equivalent  
20 employee.
  - 21 d. The business's primary operations are in advanced  
22 manufacturing, bioscience, insurance and finance, and  
23 technologies. The business shall not be primarily engaged in  
24 retail sales, real estate, the provision of health care, or  
25 the provision of services that require a professional license.  
26 In determining whether a business is primarily engaged in  
27 advanced manufacturing, biosciences, insurance and finance, or  
28 technologies, the authority shall consider the business's North  
29 American industry classification system code, the business's main  
30 sources of revenue, and the business's customer base.
  - 31 e. The business is an independent organization that is not  
32 part of, or an affiliate of, a business that is not a qualifying  
33 business.
  - 34 f. The business shall establish that its owners, directors,  
35 officers, and employees have an appropriate level of experience

1 consistent with the nature of the business. The authority may  
2 consult with outside service providers to determine whether a  
3 business meets the requirement of this paragraph. A business  
4 that has participated in an entrepreneurial assistance program  
5 shall be presumed to meet the requirement of this paragraph.

6 g. The business shall not have a net worth that exceeds ten  
7 million dollars.

8 h. The business shall have secured all of the following at  
9 the time of application for tax credits:

10 (1) At least two investors. For purposes of this  
11 subparagraph, "investor" includes a person who executes a binding  
12 investment commitment to a qualifying business, and does not  
13 include an affiliate of a qualifying business or an affiliate of  
14 a qualifying business's principals.

15 (2) Total equity financing, binding investment commitments,  
16 or some combination thereof, equal to at least five hundred  
17 thousand dollars, from investors.

18 3. A qualifying business shall have the burden of proof  
19 to demonstrate to the authority its qualifications under this  
20 section, and shall have the obligation to notify the authority  
21 in a timely manner of any changes in the qualifications of  
22 the business or in the eligibility of investors to redeem the  
23 investment tax credits in any tax year. The authority may revoke  
24 the certification of a qualifying business that no longer meets  
25 the requirements of this section.

26 4. A business that has been certified by the authority as a  
27 qualifying business shall annually submit an application to the  
28 authority that documents continued eligibility as a qualifying  
29 business and any investments that may qualify for a tax credit.  
30 The business shall submit the application to the authority during  
31 an annual application period designated by the authority by rule.

32 5. Based on the applications submitted by qualifying  
33 businesses pursuant to subsection 4, the authority shall make  
34 an initial allocation of tax credits in the order in which  
35 the applications are received until the maximum amount of tax

1 credits determined by the board pursuant to section 15.119,  
2 subsection 2, is reached. Equity investors that are eligible  
3 for a tax credit based on such initial allocation shall submit  
4 any additional information requested by the authority necessary  
5 to verify the eligibility of the investor and to issue a tax  
6 credit certificate. An equity investor that does not submit  
7 the required information may be denied a tax credit. If any  
8 equity investor included in the initial allocation is denied a  
9 tax credit, the authority may allocate such tax credits to equity  
10 investors that were not included in the initial allocation.

11 6. Upon receipt of all required information from a qualifying  
12 business and an equity investor, the director of the authority  
13 may approve issuance of a tax credit certificate to be included  
14 with the equity investor's tax return. The tax credit  
15 certificate shall contain the taxpayer's name, address, tax  
16 identification number, the amount of tax credit, the name of  
17 the qualifying business, and any other information required by  
18 the department of revenue. The tax credit certificate, unless  
19 rescinded by the authority, shall be accepted by the department  
20 of revenue as payment for taxes imposed pursuant to chapter 422,  
21 subchapters II, III, and V, and in chapter 432, and for the  
22 moneys and credits tax imposed in section 533.329, subject to any  
23 conditions or restrictions placed by the authority upon the face  
24 of the tax credit certificate and subject to the limitations of  
25 section 15E.27.

26 Sec. 64. NEW SECTION. **15E.29 Confidentiality — reports.**

27 1. Except as provided in subsection 2, all information or  
28 records in the possession of the authority with respect to this  
29 subchapter shall be presumed by the authority to be a trade  
30 secret protected under chapter 550 or common law, and shall be  
31 kept confidential by the authority unless otherwise ordered by a  
32 court.

33 2. All of the following shall be considered public  
34 information under chapter 22:

35 a. The identity of a qualifying business.

1 b. The identity of an investor and the qualifying business in  
2 which the investor made an equity investment.

3 c. The number of tax credit certificates issued by the  
4 authority.

5 d. The total dollar amount of tax credits issued by the  
6 authority.

7 3. The authority shall include as part of the annual  
8 report under section 15.107B a listing of eligible qualifying  
9 businesses, the number of tax credit certificates, and the amount  
10 of tax credits issued by the authority in each fiscal year.

11 Sec. 65. Section 15E.52, subsection 5, paragraph a, Code  
12 2025, is amended to read as follows:

13 a. To receive a tax credit, a taxpayer must submit an  
14 application to the board. The board shall issue certificates  
15 under this section on a first-come, first-served basis, which  
16 certificates may be redeemed for tax credits. The board shall  
17 issue such certificates so that not more than the amount  
18 allocated for such tax credits under section 15.119, subsection  
19 2, paragraph "a", may be claimed. The board shall not issue a  
20 certificate before September 1, 2014.

21 Sec. 66. Section 15E.52, subsection 7, paragraph g, Code  
22 2025, is amended to read as follows:

23 g. The fund proposes to obtain at least ~~fifteen~~ three million  
24 dollars in binding investment commitments and to invest a minimum  
25 of ~~fifteen~~ three million dollars in companies that have a  
26 principal place of business in the state.

27 Sec. 67. CODE EDITOR DIRECTIVE. The Code editor is directed  
28 to do the following:

29 1. Entitle chapter 15E, subchapter IV, "Seed Investor Tax  
30 Credit" and include sections 15E.25 through 15E.29.

31 2. Correct internal references in the Code and in enacted  
32 legislation as necessary due to the enactment of this division  
33 of this Act.

34

DIVISION VII

35 ELIMINATION OF INVESTMENTS IN QUALIFYING BUSINESSES TAX CREDIT

1 PROGRAM

2 Sec. 68. REPEAL. Sections 15E.41, 15E.42, 15E.43, 15E.44,  
3 and 15E.46, Code 2025, are repealed.

4 Sec. 69. TRANSITION PROVISIONS. A tax credit issued by the  
5 economic development authority to a taxpayer before June 30,  
6 2026, for an investment in a qualifying business pursuant  
7 to chapter 15E, subchapter V, Code 2025, shall remain valid  
8 per the terms under which the tax credit was issued by the  
9 economic development authority, and the provisions of chapter  
10 15E, subchapter V, Code 2025.

11 DIVISION VIII

12 INVESTMENTS IN QUALIFYING BUSINESS TAX CREDIT PROGRAM —  
13 CONFORMING CHANGES

14 Sec. 70. Section 2.48, subsection 3, paragraph d,  
15 subparagraph (1), Code 2025, is amended by striking the  
16 subparagraph.

17 Sec. 71. Section 15E.52, subsection 4, Code 2025, is amended  
18 to read as follows:

19 4. A taxpayer shall not claim a tax credit under this section  
20 if the taxpayer is a venture capital investment fund allocation  
21 manager for the Iowa fund of funds created in section 15E.65 or  
22 an investor that receives a tax credit for the same investment  
23 in a qualifying business as described in section ~~15E.44~~ or in a  
24 ~~community-based seed capital fund as described in section 15E.45,~~  
25 ~~Code 2015~~ 15E.28.

26 Sec. 72. Section 422.11F, subsection 1, Code 2025, is amended  
27 to read as follows:

28 1. The taxes imposed under this subchapter, less the credits  
29 allowed under section 422.12, shall be reduced by an investment  
30 tax credit authorized pursuant to section ~~15E.43~~ 15E.27 for an  
31 investment in a qualifying business.

32 Sec. 73. Section 422.33, subsection 12, paragraph a, Code  
33 2025, is amended to read as follows:

34 a. The taxes imposed under this subchapter shall be reduced  
35 by an investment tax credit authorized pursuant to section ~~15E.43~~

1 15E.27 for an investment in a qualifying business.

2 Sec. 74. Section 422.60, subsection 5, paragraph a, Code  
3 2025, is amended to read as follows:

4 a. The taxes imposed under this subchapter shall be reduced  
5 by an investment tax credit authorized pursuant to section ~~15E.43~~  
6 15E.27 for an investment in a qualifying business.

7 Sec. 75. Section 432.12C, subsection 1, Code 2025, is amended  
8 to read as follows:

9 1. The tax imposed under this chapter shall be reduced by  
10 an investment tax credit authorized pursuant to section ~~15E.43~~  
11 15E.27 for an investment in a qualifying business.

12 Sec. 76. Section 533.329, subsection 2, paragraph e, Code  
13 2025, is amended to read as follows:

14 e. The moneys and credits tax imposed under this section  
15 shall be reduced by an investment tax credit authorized pursuant  
16 to section ~~15E.43~~ 15E.27.

17 Sec. 77. PRESERVATION OF EXISTING RIGHTS. The sections of  
18 this division of this Act amending sections 422.11F, 422.33,  
19 422.60, 432.12C, and 533.329 shall not limit, modify, or  
20 otherwise adversely affect any amount of investment tax credit  
21 under section 15E.43, Code 2025, that was issued, awarded, or  
22 allowed before July 1, 2026, and shall not limit, modify, or  
23 otherwise adversely affect a taxpayer's right to claim or redeem  
24 an investment tax credit under section 15E.43, Code 2025, that  
25 was issued, awarded, or allowed before July 1, 2026, including  
26 but not limited to any tax credit carryforward amount.

27 DIVISION IX

28 IOWA FILM PRODUCTION INCENTIVE PROGRAM AND FUND

29 Sec. 78. NEW SECTION. **15.517 Iowa film production incentive**  
30 **program.**

31 1. As used in this section:

32 a. "Fund" means the Iowa film production incentive fund.

33 b. "Program" means the Iowa film production incentive  
34 program.

35 c. "Qualified expenditure" means an allowed expense, as

1 determined by the authority by rule, that is incurred by a  
2 qualified production facility on or after July 1, 2025, but  
3 before July 1, 2027, for producing a qualified production.

4 *d. "Qualified production"* means a feature film, television  
5 series, documentary, or unscripted series that is rated G, PG,  
6 PG-13, or R by the classification and ratings administration of  
7 the motion picture association of America or the TV parental  
8 guidelines monitoring board.

9 *e. "Qualified production facility" or "facility"* means any of  
10 the following:

11 (1) A dedicated studio located in this state at which  
12 qualified productions can be produced.

13 (2) A studio located in this state at which all preproduction  
14 and film production take place for a qualified production filmed  
15 on location in this state.

16 (3) A company that has, in the three consecutive years  
17 immediately preceding an application for a rebate, had the  
18 company's principal place of business in this state and produced  
19 a qualified production.

20 2. *a.* The authority shall establish and administer an Iowa  
21 film production incentive program for the purpose of providing  
22 rebates to qualified production facilities for qualified  
23 expenditures.

24 *b.* The authority shall establish eligibility criteria for the  
25 program by rule.

26 (1) The eligibility criteria for qualified production  
27 facilities must require that a facility have an agreement between  
28 the authority and the facility that the phrase "filmed in Iowa"  
29 appears noticeably in the credits of the qualified production.

30 (2) The eligibility criteria for a qualified production must  
31 include:

32 (a) A total production budget of at least one million  
33 dollars, including at least five hundred thousand dollars in  
34 qualified expenditures, and evidence that the total production  
35 budget is fully funded.

1 (b) Availability to the public for viewing at a venue where  
2 admission is charged, or availability for purchase, for rental,  
3 or through a streaming service that requires a subscription.

4 (3) The eligibility criteria for qualified expenditures must  
5 include the following:

6 (a) The requirements for substantiation of expenses and  
7 submission of expenses for industry standard activities  
8 including expenses for cast members, equipment, studio production  
9 facilities, hospitality services, certified public accountant  
10 services, per diem payments, payments to businesses located in  
11 this state, accommodations, and any other expenses allowed by the  
12 authority. Qualified expenditures shall not include expenses for  
13 entertainment, studio executive airfare, royalties, and publicity  
14 for the qualified production.

15 (b) Documentation that all qualified expenses were incurred  
16 following approval of the application for rebate by the  
17 authority.

18 3. An application for a rebate under the program shall be  
19 submitted by a qualified production facility to the authority for  
20 approval in the form and manner prescribed by the authority.  
21 In determining whether to approve a rebate, the factors the  
22 authority may consider include but are not limited to all of the  
23 following:

24 a. The extent to which the applicant will participate in  
25 training, education, and recruitment programs that are organized  
26 in cooperation with interested Iowa colleges and universities,  
27 and that are designed to promote and encourage the training and  
28 hiring of Iowa residents.

29 b. Whether the rebate will incentivize a qualified production  
30 facility to choose an Iowa location for its qualified production  
31 rather than an out-of-state location.

32 c. The likelihood that approval of the rebate will result in  
33 an overall long-term positive impact to the state.

34 4. a. If a qualified production facility's application is  
35 approved by the authority, the maximum rebate paid to the

1 facility under the program shall equal thirty percent of the  
2 facility's documented qualified expenditures excluding any sales,  
3 use, and hotel and motel taxes paid.

4 b. Prior to disbursement of the rebate, a qualified  
5 production facility shall submit all of the following to the  
6 authority at the expense of the facility:

7 (1) An examination of the qualified expenditures completed by  
8 a certified public accountant, as defined in section 542.3, in  
9 accordance with the currently effective statements on standards  
10 for attestation engagements established by the American institute  
11 of certified public accountants.

12 (2) A statement of the final amount of qualified  
13 expenditures.

14 (3) Any other information the authority deems necessary to  
15 ensure compliance with this section.

16 5. a. An Iowa film production incentive fund is created in  
17 the state treasury under the control of the authority. The  
18 fund shall consist of moneys appropriated to the authority and  
19 any other moneys available to, obtained by, or accepted by the  
20 authority for placement in the fund. The fund shall be used to  
21 provide rebates under the program.

22 b. The cumulative value of rebates claimed by qualified  
23 production facilities pursuant to this section shall not exceed  
24 four million dollars.

25 c. Notwithstanding section 8.33, moneys in the fund that  
26 remain unencumbered or unobligated at the close of the fiscal  
27 year shall not revert but shall remain available for expenditure  
28 for the purposes designated until the close of the succeeding  
29 fiscal year. Notwithstanding section 12C.7, interest or earnings  
30 on moneys in the fund shall be credited to the fund.

31 6. The authority shall not use more than five percent of the  
32 moneys in the fund at the beginning of each fiscal year for  
33 purposes of administrative costs, technical assistance, and other  
34 program support.

35 7. The authority shall adopt rules pursuant to chapter 17A to

1 administer this section.

2 8. This section is repealed July 1, 2027.

3 Sec. 79. CODE EDITOR DIRECTIVE. The Code editor shall  
4 designate section 15.517, as enacted in this division of this  
5 Act, as part 34 of subchapter II.

6

DIVISION X

7

EMPLOYER CHILD CARE TAX CREDIT REPEAL

8 Sec. 80. Section 237A.31, subsection 1, Code 2025, is amended  
9 to read as follows:

10 1. The taxes imposed under chapter 422, subchapter II or  
11 III, the franchise tax imposed under chapter 422, subchapter V,  
12 the gross premiums tax under chapter 432, or the moneys and  
13 credits tax imposed under section 533.329 shall be reduced by an  
14 employer child care tax credit through the tax year beginning on  
15 or after January 1, 2025, but before January 1, 2026, equal to  
16 the proportion of the federal employer-provided child care tax  
17 credit provided in section 45F of the Internal Revenue Code the  
18 taxpayer was eligible for in the same tax year attributable to  
19 expenditures made in this state.

20 Sec. 81. Section 237A.31, Code 2025, is amended by adding the  
21 following new subsection:

22 NEW SUBSECTION. 5. This section is repealed January 1, 2031.

23 Sec. 82. Section 422.120, Code 2025, is amended by adding the  
24 following new subsection:

25 NEW SUBSECTION. 3. This section is repealed January 1, 2031.

26 Sec. 83. Section 422.33, subsection 32, Code 2025, is amended  
27 to read as follows:

28 32. a. The taxes imposed under this subchapter shall be  
29 reduced by an employer child care tax credit allowed pursuant to  
30 section 237A.31.

31 b. This subsection is repealed January 1, 2031.

32 Sec. 84. Section 422.60, subsection 15, Code 2025, is amended  
33 to read as follows:

34 15. a. The taxes imposed under this subchapter shall be  
35 reduced by an employer child care tax credit allowed pursuant to

1 section 237A.31.

2 b. This subsection is repealed January 1, 2031.

3 Sec. 85. Section 432.120, Code 2025, is amended to read as  
4 follows:

5 **432.120 Employer child care tax credit.**

6 1. The taxes imposed under this chapter shall be reduced by  
7 an employer child care tax credit allowed pursuant to section  
8 237A.31.

9 2. This section is repealed January 1, 2031.

10 Sec. 86. Section 533.329, subsection 2, paragraph m, Code  
11 2025, is amended to read as follows:

12 m. (1) The moneys and credits tax imposed under this section  
13 shall be reduced by an employer child care tax credit allowed  
14 pursuant to section 237A.31.

15 (2) This paragraph is repealed January 1, 2031.

16 DIVISION XI

17 ASSISTIVE DEVICE TAX CREDIT REPEAL

18 Sec. 87. Section 2.48, subsection 3, paragraph e,  
19 subparagraph (5), Code 2025, is amended to read as follows:

20 (5) (a) The assistive device corporate tax credit under  
21 section 422.33.

22 (b) This subparagraph is repealed January 1, 2031.

23 Sec. 88. Section 422.33, subsection 9, paragraph a,  
24 subparagraph (1), Code 2025, is amended to read as follows:

25 (1) The taxes imposed under this subchapter shall be reduced  
26 by an assistive device tax credit through the tax year beginning  
27 on or after January 1, 2024, but before January 1, 2025. A  
28 small business purchasing, renting, or modifying an assistive  
29 device or making workplace modifications for an individual with  
30 a disability who is employed or will be employed by the small  
31 business is eligible, subject to availability of credits, to  
32 receive this assistive device tax credit which is equal to fifty  
33 percent of the first five thousand dollars paid during the tax  
34 year for the purchase, rental, or modification of the assistive  
35 device or for making the workplace modifications. The following

1 percentage of any credit in excess of the tax liability shall  
2 be refunded with interest in accordance with section 421.60,  
3 subsection 2, paragraph "e", as follows:

4 (a) For the tax year beginning on or after January 1, 2023,  
5 but before January 1, 2024, ninety-five percent.

6 (b) For the tax year beginning on or after January 1, 2024,  
7 but before January 1, 2025, ninety percent.

8 ~~(c) For the tax year beginning on or after January 1, 2025,~~  
9 ~~but before January 1, 2026, eighty-five percent.~~

10 ~~(d) For the tax year beginning on or after January 1, 2026,~~  
11 ~~but before January 1, 2027, eighty percent.~~

12 ~~(e) For tax years beginning on or after January 1, 2027,~~  
13 ~~seventy-five percent.~~

14 Sec. 89. Section 422.33, subsection 9, Code 2025, is amended  
15 by adding the following new paragraph:

16 NEW PARAGRAPH. d. This subsection is repealed January 1,  
17 2031.

18 Sec. 90. RETROACTIVE APPLICABILITY. This division of this  
19 Act applies retroactively to January 1, 2025, for tax years  
20 beginning on or after that date.

21 DIVISION XII

22 ENDOW IOWA TAX CREDIT

23 Sec. 91. Section 15E.303, subsections 1, 2, and 6, Code 2025,  
24 are amended by striking the subsections.

25 Sec. 92. Section 15E.305, subsection 2, unnumbered paragraph  
26 1, Code 2025, is amended to read as follows:

27 The aggregate amount of tax credits authorized pursuant to  
28 this section shall not exceed a total of ~~six~~ three million five  
29 hundred thousand dollars annually.

30 Sec. 93. Section 15E.305, subsection 2, paragraph a, Code  
31 2025, is amended to read as follows:

32 a. The maximum amount of tax credits granted to a taxpayer  
33 shall not exceed ~~one hundred~~ fifty thousand dollars.

34 Sec. 94. Section 15E.305, Code 2025, is amended by adding the  
35 following new subsection:



1 RESEARCH ACTIVITIES TAX CREDIT REPEAL

2 Sec. 100. Section 422.10, subsection 1, unnumbered paragraph  
3 1, Code 2025, is amended to read as follows:

4 The taxes imposed under this subchapter shall be reduced by a  
5 state tax credit for increasing research activities in this state  
6 through the tax year beginning on or after January 1, 2025, but  
7 before January 1, 2026.

8 Sec. 101. Section 422.10, subsection 1, paragraph b,  
9 subparagraph (3), subparagraph division (d), subparagraph  
10 subdivision (iv), Code 2025, is amended by striking the  
11 subparagraph subdivision.

12 Sec. 102. Section 422.10, subsection 1, paragraph b,  
13 subparagraph (3), subparagraph division (e), Code 2025, is  
14 amended to read as follows:

15 (e) For tax years beginning on or after January 1, ~~2027~~  
16 2026, amounts paid for supplies as defined in section 41(b)(2)(C)  
17 of the Internal Revenue Code shall not be qualified research  
18 expenses in this state.

19 Sec. 103. Section 422.10, Code 2025, is amended by adding the  
20 following new subsection:

21 NEW SUBSECTION. 7. This section is repealed January 1, 2027.

22 Sec. 104. Section 422.33, subsection 5, paragraph a,  
23 unnumbered paragraph 1, Code 2025, is amended to read as follows:

24 The taxes imposed under this subchapter shall be reduced by  
25 a state tax credit through the tax year beginning on or after  
26 January 1, 2025, but before January 1, 2026, for increasing  
27 research activities in this state equal to the sum of the  
28 following:

29 Sec. 105. Section 422.33, subsection 5, paragraph b,  
30 subparagraph (2), subparagraph division (d), subparagraph  
31 subdivision (iv), Code 2025, is amended by striking the  
32 subparagraph subdivision.

33 Sec. 106. Section 422.33, subsection 5, paragraph b,  
34 subparagraph (2), subparagraph division (e), Code 2025, is  
35 amended to read as follows:

1 (e) For tax years beginning on or after January 1, 2027  
2 2026, amounts paid for supplies as defined in section 41(b)(2)(C)  
3 of the Internal Revenue Code shall not be qualified research  
4 expenses in this state.

5 Sec. 107. Section 422.33, subsection 5, Code 2025, is amended  
6 by adding the following new paragraph:

7 NEW PARAGRAPH. j. This subsection is repealed January 1,  
8 2027.

9 DIVISION XIV

10 RESEARCH AND DEVELOPMENT TAX CREDIT PROGRAM

11 Sec. 108. NEW SECTION. **15.520 Short title.**

12 This part shall be known and may be cited as the "*Research and*  
13 *Development Tax Credit Program*".

14 Sec. 109. NEW SECTION. **15.521 Definitions.**

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

16 1. "*Eligible expenditures*" means qualified research expenses  
17 under section 41 of the Internal Revenue Code, to the extent the  
18 expenditures occurred in this state.

19 2. "*Qualified business*" means a business certified by the  
20 authority as eligible to claim the research and development tax  
21 credit.

22 3. "*Qualified research and development*" means a systematic  
23 activity that combines basic and applied research in an attempt  
24 to discover solutions to new or existing problems, or to  
25 create or update goods and services. "*Qualified research and*  
26 *development*" includes a set of innovative activities undertaken  
27 by an eligible business in developing new services or products,  
28 and in improving existing ones.

29 Sec. 110. NEW SECTION. **15.522 Eligible businesses and**  
30 **sectors.**

31 1. The tax credit available pursuant to this part shall be  
32 available only to a business primarily engaged in any of the  
33 following:

34 a. Advanced manufacturing.

35 b. Bioscience.

- 1 c. Insurance and finance.
- 2 d. Technology and innovation.
- 3 2. For a business described in subsection 1, the sectors
- 4 available for the credit may include the following:
  - 5 a. Second-generation food innovation.
  - 6 b. Food ingredients and supplements.
  - 7 c. Crop protection.
  - 8 d. Hybrid seed technologies.
  - 9 e. Diagnostic analytics and immunotherapies.
  - 10 f. Chip technologies and microelectronics.
  - 11 g. Medical equipment and supplies.
  - 12 h. Software and technology.
  - 13 i. Aerospace.
  - 14 j. Pharmaceuticals.
  - 15 k. Consumer products.
  - 16 l. Any additional sectors included by the authority by rule.
- 17 3. A business that shall not be considered to be engaged
- 18 in advanced manufacturing, bioscience, insurance and finance, or
- 19 technology and innovation under subsection 1, and thus is not
- 20 eligible for the credit, includes but is not limited to all of
- 21 the following:
  - 22 a. A business engaged in agriculture production as defined in
  - 23 section 423.1.
  - 24 b. A business that is a contractor, subcontractor, builder,
  - 25 or a contractor-retailer that engages in commercial and
  - 26 residential repair and installation, including but not limited
  - 27 to heating or cooling installation and repair, plumbing and
  - 28 pipe fitting, security system installation, and electrical
  - 29 installation and repair. For purposes of this paragraph,
  - 30 "contractor-retailer" means a business that makes frequent retail
  - 31 sales to the public or to other contractors and that also engages
  - 32 in the performance of construction contracts.
  - 33 c. A finance or investment company.
  - 34 d. A retailer.
  - 35 e. A wholesaler.

1 f. A transportation company.

2 g. An ethanol biorefinery.

3 h. An agricultural cooperative association as defined in  
4 section 502.102.

5 i. A real estate company.

6 j. A collection agency.

7 k. An accountant.

8 l. An architect.

9 m. A publisher.

10 Sec. 111. NEW SECTION. **15.523 Application, certification,**  
11 **and agreement.**

12 1. A business shall submit a preapplication to the authority  
13 to determine whether the business is primarily engaged in an  
14 eligible sector identified in section 15.522 and is actively  
15 engaged in qualified research and development. The determination  
16 made by the authority shall be based on factors including but  
17 not limited to the North American industry classification code  
18 and sources of revenue. The authority may request any additional  
19 documentation or conduct site visits to verify the requirements  
20 of the program are met upon the submission of the preapplication.

21 2. The authority must certify a business as a qualified  
22 business for the business to claim a research and development  
23 tax credit. A qualified business that continues to meet  
24 the requirements of the program and the agreement entered  
25 pursuant to subsection 3 may remain certified for up to five  
26 years. A business may reapply for certification in additional  
27 five-year increments. A business that does not demonstrate an  
28 increase in eligible expenditures may be denied recertification  
29 by the authority. A business that is denied certification or  
30 recertification may reapply. The authority may specify the  
31 length of time after the denial when the business is eligible to  
32 reapply.

33 3. An eligible business must enter into an agreement with the  
34 authority for successful completion of all requirements of the  
35 program.

1 4. Each year after certification as a qualified business,  
2 the qualified business shall submit an application to the  
3 authority for a tax credit based on the amount of eligible  
4 expenditures that were included in Section F of Internal Revenue  
5 Form 6765 that was submitted with the qualified business's  
6 most recently filed and accepted federal tax return. The  
7 application shall include a verification of eligible expenditures  
8 by procedures prescribed by the authority by rule. The qualified  
9 business shall engage an independent certified public accountant  
10 authorized to practice in this state to conduct the verification.  
11 A qualified business shall submit the application to the  
12 authority by January 31 following the most recently filed and  
13 accepted federal tax return for a tax year in which the business  
14 is determined to be a qualified business.

15 5. Each fiscal year, the authority will approve tax credit  
16 awards by apportioning the amount of tax credits available  
17 pursuant to section 15.119 on a pro rata basis, based on the  
18 total amount of eligible expenditures incurred by all qualified  
19 businesses that are awarded a tax credit. Up to five percent of  
20 the amount of tax credits available pursuant to section 15.119  
21 may be awarded as additional tax credits to qualified businesses  
22 that demonstrate an increase in eligible expenditures.

23 6. If the qualified business fails to comply with any  
24 requirements of the program or the agreement entered pursuant  
25 to subsection 3 as determined by the authority, the qualified  
26 business may have its certification as a qualified business  
27 revoked or be required to repay any tax credit the authority  
28 issued to the qualified business. After a final determination,  
29 the authority will notify the department of revenue of any  
30 required repayment of a tax credit. Such repayment shall be  
31 considered a tax payment due and payable to the department of  
32 revenue by any taxpayer that claimed the tax incentive, and the  
33 failure to make the repayment may be treated by the department  
34 of revenue in the same manner as a failure to pay the tax shown  
35 due, or required to be shown due, with the filing of a return or

1 deposit form.

2 7. A qualified business that claims a research activities  
3 credit pursuant to section 422.10 or 422.33, Code 2025, shall not  
4 claim a research and development tax credit awarded pursuant to  
5 this part on the same tax return.

6 Sec. 112. NEW SECTION. **15.524 Research and development tax**  
7 **credit.**

8 1. For tax years beginning on or after January 1, 2026, a  
9 research and development tax credit is available to a qualified  
10 business that is approved for the tax credit by the authority.

11 2. Upon submission of the documentation required pursuant  
12 to section 15.523, subsection 4, and verification of eligible  
13 expenditures by the authority, the authority may issue a tax  
14 credit certificate to a qualified business indicating the amount  
15 available to be claimed. The authority may approve a tax credit  
16 in an amount up to three and one-half percent of the amount of  
17 the qualified business's eligible expenditures. The tax credit  
18 shall be claimed in the tax year immediately following the tax  
19 year during which the eligible expenditures were incurred.

20 3. To claim a tax credit under this section, a taxpayer  
21 shall include one or more tax credit certificates with the  
22 taxpayer's tax return. The tax credit certificate must contain  
23 the taxpayer's name, address, tax identification number, the  
24 amount of the credit, the name of the qualified business, and  
25 any other information required by the department of revenue.  
26 The tax credit certificate, unless rescinded by the authority,  
27 shall be accepted by the department of revenue as payment for  
28 taxes imposed pursuant to chapter 422, subchapters II and III,  
29 subject to any conditions or restrictions placed by the authority  
30 upon the face of the tax credit certificate and subject to the  
31 limitations of the program.

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

1 tax year.

2 5. Tax credit certificates issued pursuant to this section  
3 are not transferable.

4 6. If the business is a partnership, S corporation, limited  
5 liability company, estate, or trust electing to have the income  
6 taxed directly to the individual, an individual may claim the tax  
7 credit allowed. The amount claimed by the individual shall be  
8 based upon the pro rata share of the individual's earnings of the  
9 partnership, S corporation, limited liability company, or estate  
10 or trust.

11 7. The maximum amount of tax credits the authority may issue  
12 under this section each fiscal year shall not exceed the amount  
13 specified in section 15.119.

14 8. A qualified business that was approved to receive a  
15 research activities credit pursuant to section 15.335, Code 2025,  
16 prior to January 1, 2026, shall not claim such tax credit and a  
17 research and development tax credit pursuant to this part on the  
18 same tax return.

19 **Sec. 113. NEW SECTION. 15.525 Reporting requirements.**

20 1. A qualified business shall report annually to the  
21 authority all of the following:

22 a. The total amount of investment made in research and  
23 development.

24 b. The qualified location in this state where the research  
25 and development occurred.

26 c. The number of jobs created, wages paid, and employee  
27 residence locations.

28 2. The authority shall include as part of the annual  
29 report under section 15.107B an annual report of the activities  
30 conducted pursuant to this part.

31 3. The authority shall report all information in an aggregate  
32 form to prevent, as much as possible, information being  
33 attributable to any particular qualified business.

34 **Sec. 114. NEW SECTION. 15.526 Confidentiality.**

35 1. Except as provided in subsection 2, all information or

1 records in the possession of the authority with respect to this  
2 part shall be presumed by the authority to be a trade secret  
3 protected under chapter 550 or common law, and shall be kept  
4 confidential by the authority unless otherwise ordered by the  
5 court.

6 2. The identity of a tax credit recipient and the amount  
7 of the tax credit shall be considered public information under  
8 chapter 22.

9 Sec. 115. NEW SECTION. **422.12Q Research and development tax**  
10 **credit.**

11 The taxes imposed under this subchapter, less the credits  
12 allowed under section 422.12, shall be reduced by a research and  
13 development tax credit allowed pursuant to section 15.524.

14 Sec. 116. Section 422.33, Code 2025, is amended by adding the  
15 following new subsection:

16 NEW SUBSECTION. 17. The taxes imposed under this subchapter  
17 shall be reduced by the research and development tax credit  
18 allowed pursuant to section 15.524.

19 Sec. 117. CODE EDITOR DIRECTIVE. The Code editor shall  
20 designate sections 15.520 through 15.526, as enacted in this  
21 division of this Act, as part 35 of subchapter II.

22 Sec. 118. EFFECTIVE DATE. This division of this Act, being  
23 deemed of immediate importance, takes effect upon enactment.

24 DIVISION XV

25 SUSTAINABLE AVIATION FUEL PRODUCTION TAX CREDIT

26 Sec. 119. NEW SECTION. **15.530 Short title.**

27 This part shall be known and may be cited as the "*Sustainable*  
28 *Aviation Fuel Production Tax Credit Program*".

29 Sec. 120. NEW SECTION. **15.531 Definitions.**

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

31 1. "*Aviation gasoline*" means the same as defined in section  
32 452A.2.

33 2. "*Eligible taxpayer*" means a business engaged in  
34 manufacturing sustainable aviation fuel from feedstock.

35 3. "*Feedstock*" means any organic matter processed or refined

1 in the state suitable for sustainable aviation fuel production  
2 without further enhancement. "Feedstock" includes ethanol, corn  
3 oil, soybean oil, animal fats, used cooking oil, and algae.

4 4. "Jet fuel" means blends of hydrocarbons derived from  
5 crude petroleum, natural gasoline, and synthetic hydrocarbons,  
6 intended for use in aviation turbine engines, and that meet  
7 the specifications in ASTM (American society for testing and  
8 materials) specification D1655-12.

9 5. "Sustainable aviation fuel" means the portion of a liquid  
10 fuel meeting the requirements of ASTM D7566 or the Fischer  
11 Tropsch provisions of ASTM D1655, Annex A1, derived from  
12 feedstock not including palm fatty acid distillates and that  
13 achieves at least a fifty percent life cycle greenhouse gas  
14 emissions reduction as determined by any of the following:

15 a. The fuel production pathway achieves at least a fifty  
16 percent life cycle greenhouse gas emission reduction in  
17 comparison with petroleum-based aviation gasoline, aviation  
18 turbine fuel, and jet fuel utilizing the most recent version  
19 of the GREET (Argonne national laboratory's greenhouse gases,  
20 regulated emissions, and energy use in technologies) model that  
21 accounts for reduced emissions throughout the fuel production  
22 process.

23 b. The fuel production pathway achieves at least a fifty  
24 percent reduction in comparison with petroleum-based aviation  
25 gasoline, aviation turbine fuel, and jet fuel utilizing the  
26 most recent version of the default life cycle emission value  
27 or actual core life cycle emissions value under the most  
28 recent carbon offsetting and reduction scheme for international  
29 aviation methodology for sustainable aviation fuels adopted by  
30 the international civil aviation organization.

31 Sec. 121. NEW SECTION. **15.532 Eligible business application**  
32 **and agreement.**

33 1. a. An eligible business that produces a sustainable  
34 aviation fuel in this state from feedstock during a calendar year  
35 may apply to the authority for the sustainable aviation fuel tax

1 credit provided in section 15.533.

2     *b.* The application must be made to the authority in the  
3 manner prescribed by the authority.

4     *c.* The application must be made during the calendar year  
5 following the calendar year in which the sustainable aviation  
6 fuel is produced.

7     *d.* The authority may accept applications on a continuous  
8 basis or may establish, by rule, an annual application deadline.

9     *e.* The application must include all of the following  
10 information:

11         (1) The amount of sustainable aviation fuel produced in the  
12 state from feedstock by the eligible business during the calendar  
13 year, measured in gallons.

14         (2) The types and sources of feedstock used to produce  
15 sustainable aviation fuel, documented in sufficient detail to  
16 allow the authority to verify that such feedstock was processed  
17 or refined in the state.

18         (3) Any other information reasonably required by the  
19 authority in order to establish and verify eligibility under the  
20 program.

21     *f.* The authority shall review and score all complete  
22 applications submitted by eligible businesses on a competitive  
23 basis pursuant to rules adopted by the authority.

24     2.     *a.* Before being issued a tax credit under section 15.533,  
25 an eligible business must enter into an agreement with the  
26 authority for the successful completion of all requirements of  
27 the program. As part of the agreement, the eligible business  
28 shall agree to collect and provide any information reasonably  
29 required by the authority in order to allow the board to fulfill  
30 its reporting obligation under section 15.534.

31     *b.* An eligible business shall fulfill all the requirements  
32 of the program and the agreement before the authority issues the  
33 business a tax credit certificate or enters into a subsequent  
34 agreement with the business under this section. The authority  
35 may decline to enter into a subsequent agreement with the

1 business under this section if a prior agreement is not  
2 successfully fulfilled.

3 c. Upon establishing that all requirements of the program  
4 and the agreement have been fulfilled, the authority shall issue  
5 a tax credit certificate to the eligible business stating the  
6 amount of sustainable fuel tax credit the eligible business may  
7 claim.

8 3. The failure by an eligible business in fulfilling any  
9 requirement of the program or any of the terms and obligations  
10 of an agreement entered into pursuant to this section may result  
11 in the reduction, termination, or rescission of the tax credits  
12 under section 15.533 and may subject the eligible business to  
13 the repayment or recapture of tax credits claimed. After a  
14 final determination, the authority will notify the department  
15 of revenue of any required repayment of a tax credit. Such  
16 repayment shall be considered a tax payment due and payable to  
17 the department of revenue by any taxpayer that claimed the tax  
18 credit, and the failure to make the repayment may be treated by  
19 the department of revenue in the same manner as a failure to pay  
20 the tax shown due, or required to be shown due, with the filing  
21 of a return or deposit form.

22 4. a. Except as provided in paragraph "b", any information  
23 or record in the possession of the authority with respect to  
24 the program shall be presumed by the authority to be a trade  
25 secret protected under chapter 550 or common law and shall be  
26 kept confidential by the authority unless otherwise ordered by a  
27 court.

28 b. The identity of a tax credit recipient and the amount  
29 of the tax credit shall be considered public information under  
30 chapter 22.

31 Sec. 122. NEW SECTION. **15.533 Sustainable aviation fuel tax**  
32 **credit.**

33 1. An eligible business that has entered into an agreement  
34 pursuant to section 15.532 may claim a tax credit in an amount  
35 equal to the product of twenty-five cents multiplied by the

1 number of gallons of sustainable aviation fuel produced in this  
2 state from feedstock. The sustainable aviation fuel tax credit  
3 shall not be available for any sustainable aviation fuel produced  
4 before the 2026 calendar year or after the 2035 calendar year.

5 2. The tax credit shall be allowed against taxes imposed  
6 under chapter 422, subchapter II or III.

7 3. The tax credit shall be claimed for the tax year during  
8 which the eligible business was issued the tax credit.

9 4. An individual may claim a tax credit under this section  
10 of a partnership, limited liability company, S corporation,  
11 cooperative organized under chapter 501 and filing as a  
12 partnership for federal tax purposes, estate, or trust electing  
13 to have income taxed directly to the individual. The amount  
14 claimed by the individual shall be based upon the pro rata  
15 share of the individual's earnings from the partnership, limited  
16 liability company, S corporation, cooperative, estate, or trust.

17 5. Any tax credit in excess of the tax liability is  
18 refundable. In lieu of claiming a refund, the taxpayer may elect  
19 to have the overpayment shown on the taxpayer's final, completed  
20 return credited to the tax liability for the following tax year.

21 6. a. To claim a tax credit under this section, a taxpayer  
22 shall include one or more tax credit certificates with the  
23 taxpayer's tax return.

24 b. The tax credit certificate shall contain the taxpayer's  
25 name, address, tax identification number, the amount of the  
26 credit, the name of the eligible business, and any other  
27 information required by the department of revenue.

28 c. The tax credit certificate, unless rescinded by the  
29 authority, shall be accepted by the department of revenue as  
30 payment for taxes imposed pursuant to chapter 422, subchapters II  
31 and III, subject to any conditions or restrictions placed by the  
32 authority upon the face of the tax credit certificate and subject  
33 to the limitations of the program.

34 d. Tax credit certificates issued pursuant to this section  
35 are not transferable.

1 7. a. The maximum amount of tax credits the authority may  
2 issue each fiscal year pursuant to this section shall be as  
3 provided in section 15.119.

4 b. (1) The maximum amount of tax credits that the authority  
5 may issue to an eligible business for the production of  
6 sustainable aviation fuel in a calendar year shall not exceed one  
7 million dollars.

8 (2) The authority shall not issue more than five tax credit  
9 certificates to an eligible business for the production of  
10 sustainable aviation fuel under the program.

11 Sec. 123. NEW SECTION. **15.534 Reports to general**  
12 **assembly.**

13 1. For purposes of this section, "*successful tax credit*  
14 *applicant*" includes, with respect to each fiscal year, an  
15 eligible business that was issued a tax credit certificate for  
16 production of sustainable aviation fuel during that fiscal year.

17 2. The annual report under section 15.107B shall include a  
18 report, developed in cooperation with the department of revenue,  
19 describing the activities of the program for the previous fiscal  
20 year. The report shall, at a minimum, include all of the  
21 following information:

22 a. The aggregate number of gallons of sustainable aviation  
23 fuel produced for which successful tax credit applicants received  
24 a tax credit in the previous calendar year.

25 b. For each eligible business issued a sustainable aviation  
26 fuel tax credit during each calendar year:

27 (1) The identity of the eligible business.

28 (2) The amount of the tax credit.

29 c. The total amount of all sustainable aviation fuel tax  
30 credits claimed during each calendar year, and the portion of the  
31 claims issued as a refund.

32 3. To protect the presumption of confidentiality established  
33 pursuant to section 15.532, the board shall report all  
34 information in an aggregate form to prevent, as much as  
35 possible, information being attributable to any particular

1 eligible business, except as provided in subsection 2.

2 Sec. 124. NEW SECTION. **15.535 Future repeal.**

3 Sections 15.530, 15.531, 15.532, 15.533, 15.534, and this  
4 section are repealed January 1, 2037.

5 Sec. 125. NEW SECTION. **422.10C Sustainable aviation fuel  
6 tax credit.**

7 The taxes imposed under this subchapter, less the credits  
8 allowed under section 422.12, shall be reduced by a sustainable  
9 aviation fuel tax credit allowed under section 15.533. This  
10 section is repealed January 1, 2037.

11 Sec. 126. Section 422.33, Code 2025, is amended by adding the  
12 following new subsection:

13 NEW SUBSECTION. 23. The taxes imposed under this subchapter  
14 shall be reduced by a sustainable aviation fuel tax credit  
15 allowed under section 15.533. This subsection is repealed  
16 January 1, 2037.

17 Sec. 127. **TAX CREDIT CLAIMS.** Sustainable aviation fuel tax  
18 credits issued pursuant to the sustainable aviation tax credit  
19 program enacted in this division of this Act shall not be issued  
20 by the economic development authority prior to July 1, 2026, and  
21 shall not be claimed by a taxpayer prior to September 1, 2026.

22 Sec. 128. **CODE EDITOR DIRECTIVE.** The Code editor shall  
23 designate sections 15.530 through 15.535, as enacted in this  
24 division of this Act, as part 36 of subchapter II.

25 Sec. 129. **EFFECTIVE DATE.** This division of this Act, being  
26 deemed of immediate importance, takes effect upon enactment.

27 Sec. 130. **RETROACTIVE APPLICABILITY.** This division of this  
28 Act applies retroactively to January 1, 2025, for tax years  
29 beginning on or after that date.

30 DIVISION XVI

31 MAJOR ECONOMIC GROWTH ATTRACTION PROGRAM

32 Sec. 131. Section 15.494, subsection 1, paragraph b, Code  
33 2025, is amended to read as follows:

34 b. If the eligible business fails to comply with any  
35 requirements of the program or the agreement as determined

1 by the authority, the eligible business may be required to  
2 repay any tax incentives the authority issued to the eligible  
3 business. A After a final determination, the authority shall  
4 notify the department of revenue of any required repayment of a  
5 tax incentive shall. Any repayment shall be considered a tax  
6 payment due and payable to the department of revenue by any  
7 taxpayer that claimed the tax incentive, and the failure to make  
8 the repayment may be treated by the department of revenue in the  
9 same manner as a failure to pay the tax shown due, or required to  
10 be shown due, with the filing of a return or deposit form. In  
11 addition, the county shall have the authority to take action to  
12 recover the value of property taxes not collected as a result of  
13 the exemption provided to the business under this part.

14 Sec. 132. Section 15.495, subsection 2, Code 2025, is amended  
15 to read as follows:

16 2. To receive the sales and use tax refund, the eligible  
17 business shall file a claim with the department of revenue as  
18 follows:

19 a. The contractor or subcontractor shall state under oath,  
20 on forms provided by the department of revenue, the amount of  
21 the sales of tangible personal property or services rendered,  
22 furnished, or performed including water, sewer, gas, and electric  
23 utility services upon which sales or use tax has been paid ~~prior~~  
24 ~~to contract completion~~ during the period for which the refund  
25 is claimed, and shall submit the forms to the eligible business  
26 before contract completion.

27 b. ~~The eligible business shall inform the department of~~  
28 ~~revenue in writing of contract completion.~~ The eligible  
29 business shall, ~~after contract completion~~ no more frequently than  
30 quarterly, submit an application to the department of revenue  
31 for a refund of the amount of the sales and use taxes paid  
32 pursuant to chapter 423 upon any tangible personal property,  
33 or services rendered, furnished, or performed, including water,  
34 sewer, gas, and electric utility services. The application  
35 shall be submitted in the form and manner prescribed by the

1 department of revenue. The department of revenue shall audit the  
 2 application and, if approved, issue a warrant or warrants to the  
 3 eligible business in the amount of the sales or use tax which has  
 4 been paid to the state of Iowa under subsection 1. The eligible  
 5 business's application must be submitted to the department of  
 6 revenue within one year after the project completion date. An  
 7 application filed by the eligible business in accordance with  
 8 this section shall not be denied by reason of a time limitation  
 9 for filing a refund claim set forth in ~~chapter 421 or 423~~ section  
 10 423.47.

11 c. The refund shall be remitted by the department of revenue  
 12 to the eligible business ~~equally over five tax years~~ as soon as  
 13 practicable after completion of an audit pursuant to paragraph  
 14 "b". Interest shall not accrue on any part of the refund that  
 15 has not yet been remitted by the department of revenue to the  
 16 eligible business.

17 DIVISION XVII

18 MASS LAYOFFS AND BUSINESS CLOSURES

19 Sec. 133. NEW SECTION. 15.112 Mass layoffs and business  
 20 closures.

21 If an entity that is awarded a tax incentive or other  
 22 financial assistance under any of the programs administered by  
 23 the authority experiences a business closure or a mass layoff  
 24 for which notice is required under chapter 84C, the authority  
 25 may reduce or eliminate some or all of the financial assistance  
 26 awarded by the authority to the entity.

27 DIVISION XVIII

28 CONFORMING CHANGES

29 Sec. 134. Section 8.55, subsection 3, paragraph f,  
 30 subparagraph (2), subparagraph division (a), as enacted by 2025  
 31 Iowa Acts, Senate File 619, section 82, is amended to read as  
 32 follows:

33 (a) Disaster aid provided to businesses engaged in disaster  
 34 recovery as described in ~~chapter 15, subchapter II, part 13~~  
 35 section 15.111, and housing businesses engaged in disaster

1 recovery housing projects as defined in section 15.354,  
2 subsection 6.

3 Sec. 135. 2025 Iowa Acts, House File 975, section 10, if  
4 enacted, is amended to read as follows:

5 SEC. 10. TRANSFER OF MONEYS. On the effective date of this  
6 division of this Act, any unencumbered or unobligated moneys  
7 remaining in the brownfield redevelopment fund created in section  
8 15.293 are transferred to a fund or funds established pursuant  
9 to section ~~15.335B~~ 15.111, subsection 1, paragraph "a", as  
10 determined by the economic development authority.

11 DIVISION XIX

12 RESEARCH ACTIVITIES TAX CREDIT — AGRISCIENCE

13 Sec. 136. Section 422.10, subsection 1, paragraph a,  
14 subparagraph (1), subparagraph division (b), subparagraph  
15 subdivision (i), Code 2025, is amended to read as follows:

16 (i) (A) A person engaged in agricultural production as  
17 defined in section 423.1 except if the credit is based on  
18 conducting agriscience research as defined in subparagraph part  
19 (B) and the person or the business is engaged in bovine and  
20 porcine veterinary research, the person shall not be considered  
21 to be engaged in agricultural production as defined in section  
22 423.1.

23 (B) As used in this subparagraph subdivision, "agriscience  
24 research" means research that is approved and overseen or  
25 monitored by a board that includes, at a minimum, an individual  
26 who was employed with, contracted by, or professionally trained  
27 by an accredited university as a researcher in an applied  
28 animal science and an individual holding a doctor of veterinary  
29 medicine or a doctoral degree in an applied animal science; is  
30 conducted in this state in an applied animal science; improves  
31 the scientific knowledge base or increases scientific innovation,  
32 performance, or viability within this state; the results of  
33 the research are evaluated by a person educated and trained in  
34 statistics by an accredited university and capable of applying  
35 generally accepted methodologies to the results in accordance

1 with industry standards in an applied animal science; and the  
2 results of the research are made available to the public by  
3 submission to or publication in a journal, magazine, or similar  
4 periodical, if the statistical evaluation indicated the research  
5 is reliable and relevant to an applied animal science.

6 (C) As used in this subparagraph subdivision, "applied animal  
7 science" includes the areas of animal science, veterinary  
8 medicine, nutritional science, genetic science, and microbiology.

9 Sec. 137. Section 422.33, subsection 5, paragraph e,  
10 subparagraph (1), subparagraph division (b), subparagraph  
11 subdivision (i), Code 2025, is amended to read as follows:

12 (i) (A) A person engaged in agricultural production as  
13 defined in section 423.1, except if the credit is based on  
14 conducting agriscience research and the person or the business  
15 is engaged in bovine and porcine veterinary research, the person  
16 shall not be considered to be engaged in agricultural production  
17 as defined in section 423.1.

18 (B) As used in this subparagraph subdivision, "agriscience  
19 research" means research that is approved and overseen or  
20 monitored by a board that includes, at a minimum, an individual  
21 who was employed with, contracted by, or professionally trained  
22 by an accredited university as a researcher in an applied  
23 animal science and an individual holding a doctor of veterinary  
24 medicine or a doctoral degree in an applied animal science; is  
25 conducted in this state in an applied animal science; improves  
26 the scientific knowledge base or increases scientific innovation,  
27 performance, or viability within this state; the results of  
28 the research are evaluated by a person educated and trained in  
29 statistics by an accredited university and capable of applying  
30 generally accepted methodologies to the results in accordance  
31 with industry standards in an applied animal science; and the  
32 results of the research are made available to the public by  
33 submission to or publication in a journal, magazine, or similar  
34 periodical, if the statistical evaluation indicated the research  
35 is reliable and relevant to an applied animal science.



1 to read as follows:

2 Except as otherwise provided in this section and in this  
3 subchapter, this subparagraph shall apply to the excise tax  
4 imposed on each gallon of biodiesel blended fuel classified  
5 as B-20 or higher used for any purpose for the privilege of  
6 operating motor vehicles in this state. On and after July 1,  
7 2030, the rate of the excise tax on each gallon of biodiesel  
8 blended fuel classified as B-20 or higher is thirty-two and  
9 five-tenths cents. Before July 1, 2030, the rate of the excise  
10 tax on each gallon of biodiesel blended fuel classified as  
11 B-20 or higher shall be based on the number of gallons of  
12 biodiesel blended fuel classified as B-20 or higher that are  
13 distributed in this state as expressed as a percentage of the  
14 number of gallons of special fuel for diesel engines of motor  
15 vehicles distributed in this state, which is referred to as  
16 the distribution percentage. The department shall determine  
17 the percentage basis for each determination period beginning  
18 January 1 and ending December 31 based on information from  
19 reports submitted to the department for filing pursuant to  
20 section 452A.33. Before June 1, the department may amend the  
21 distribution percentage due to a mistake or if there is a late  
22 report filed by a retail dealer to the department under section  
23 452A.33, subsection 1. The rate of the excise tax shall apply  
24 for the period beginning July 1 and ending June 30 following  
25 the end of the determination period. Before July 1, 2030, the  
26 rate of the excise tax on each gallon of biodiesel blended fuel  
27 classified as B-20 or higher shall be as follows:

28 Sec. 141. Section 452A.15, subsection 5, Code 2025, is  
29 amended to read as follows:

30 5. The director may impose a civil penalty against any person  
31 who fails to timely file the reports or keep the records required  
32 under this section. The penalty shall be one hundred dollars for  
33 the first violation and shall increase by one hundred dollars for  
34 each additional violation occurring in the calendar year in which  
35 the first violation occurred.

1 Sec. 142. Section 452A.33, subsection 2, unnumbered paragraph  
2 1, Code 2025, is amended to read as follows:

3 On or before April 1 the department shall deliver a report to  
4 the governor and the legislative services agency. Before June  
5 1, the department may amend the report due to a mistake or if  
6 there is a late report by a retail dealer under subsection 1.  
7 The report shall compile information reported by retail dealers  
8 to the department as provided in this section and shall at least  
9 include all of the following:

10 DIVISION XXI

11 E-15 PROMOTION TAX CREDIT

12 Sec. 143. Section 422.110, subsection 5, paragraph b, Code  
13 2025, is amended to read as follows:

14 b. This subsection is repealed January 1, ~~2026~~ 2028.

15 Sec. 144. Section 422.11Y, subsection 9, Code 2025, is  
16 amended to read as follows:

17 9. This section is repealed January 1, ~~2026~~ 2028.

18 Sec. 145. Section 422.33, subsection 11D, paragraph c, Code  
19 2025, is amended to read as follows:

20 c. This subsection is repealed January 1, ~~2026~~ 2028.

21 Sec. 146. 2011 Iowa Acts, chapter 113, section 37, as amended  
22 by 2016 Iowa Acts, chapter 1106, section 3, and 2022 Iowa Acts,  
23 chapter 1067, section 57, is amended to read as follows:

24 SEC. 37. TAX CREDIT AVAILABILITY. For a retail dealer who  
25 may claim an E-15 plus gasoline promotion tax credit under  
26 section 422.11Y or 422.33, subsection 11D, as enacted in this  
27 Act and amended in subsequent Acts, in calendar year ~~2025~~ 2027,  
28 and whose tax year ends prior to December 31, ~~2025~~ 2027, the  
29 retail dealer may continue to claim the tax credit in the retail  
30 dealer's following tax year. In that case, the tax credit shall  
31 be calculated in the same manner as provided in section 422.11Y  
32 or 422.33, subsection 11D, as enacted in this Act and amended  
33 in subsequent Acts, for the remaining period beginning on the  
34 first day of the retail dealer's new tax year until December 31,  
35 ~~2025~~ 2027. For that remaining period, the tax credit shall be

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1 calculated in the same manner as a retail dealer whose tax year  
2 began on the previous January 1 and who is calculating the tax  
3 credit on December 31, ~~2025~~ 2027.

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