

**EIGHTY-NINTH GENERAL ASSEMBLY  
2021 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

**March 18, 2021**

**Clip Sheet Summary**

Displays all amendments, fiscal notes, and conference committee reports for previous day.

<b>Bill</b>	<b>Amendment</b>	<b>Action</b>	<b>Sponsor</b>
<a href="#">SF 234</a> .....	<a href="#">S-3081</a> .....	Ruled Out of Order	TONY BISIGNANO, et al
<a href="#">SF 243</a> .....	<a href="#">S-3083</a> .....	Adopted	AMY SINCLAIR
<a href="#">SF 361</a> .....	<a href="#">S-3077</a> .....	Adopted	ZACH WHITING
<a href="#">SF 448</a> .....	<a href="#">S-3073</a> .....	Adopted	WAYLON BROWN
<a href="#">SF 467</a> .....	<a href="#">S-3075</a> .....	Adopted	AMY SINCLAIR
<a href="#">SF 529</a> .....	<a href="#">S-3079</a> .....	Adopted	ANNETTE SWEENEY
<a href="#">SF 532</a> .....	<a href="#">S-3080</a> .....	Adopted	CHRIS COURNOYER
<a href="#">SF 551</a> .....	<a href="#">S-3074</a> .....	Adopted	ADRIAN DICKEY
<a href="#">SF 562</a> .....	<a href="#">S-3082</a> .....	Adopted	DAN DAWSON
<a href="#">SF 562</a> .....	<a href="#">S-3085</a> .....	Adopted	TONY BISIGNANO
<a href="#">SF 568</a> .....	<a href="#">S-3076</a> .....	Adopted	ROBY SMITH
<a href="#">SF 580</a> .....	<a href="#">S-3078</a> .....	Adopted	JAKE CHAPMAN
<a href="#">SF 580</a> .....	<a href="#">S-3084</a> .....	Lost	ZACH WAHLS

**Fiscal Notes**

[SF 432](#) — [Tax Deduction, Student Loan Interest](#) (LSB2588XS)

[SF 580](#) — [Technology Industry, Economic Incentives](#) (LSB2024SZ)

SENATE FILE 234

S-3081

1 Amend Senate File 234 as follows:

2 1. Page 3, after line 2 by inserting:

3 <Sec. \_\_\_\_ . Section 321.285, subsection 5, paragraph e, Code  
4 2021, is amended to read as follows:

5 e. ~~Any kind of A vehicle, implement, or conveyance~~ incapable  
6 of attaining and maintaining a speed of forty miles per hour  
7 shall be prohibited from using the interstate road system.  
8 This paragraph does not apply to the segment of United States  
9 highway 65, and state highway 5 where the highway designations  
10 overlap, between the highway's intersection with interstate 80  
11 and the highway's intersection with United States highway 69,  
12 if the segment of the highway is part of the interstate road  
13 system.

14 Sec. 2. APPLICABILITY. The section of this Act amending  
15 section 321.285 applies to the segment of the highway known  
16 as United States highway 65, and state highway 5 where the  
17 highway designations overlap, described in this Act on the  
18 effective date of this Act, and shall apply to that segment  
19 of the highway thereafter regardless of whether the highway's  
20 designation as United States highway 65, or state highway  
21 5 where the highway designations overlap, is subsequently  
22 changed by the state transportation commission, department of  
23 transportation, or the government of the United States.>

24 2. Title page, line 2, after <certain> by inserting <primary  
25 highways and>

26 3. By renumbering as necessary.

By TONY BISIGNANO  
NATE BOULTON  
CLAIRE CELSI  
SARAH TRONE GARRIOTT  
JANET PETERSEN

S-3081 FILED MARCH 17, 2021

RULED OUT OF ORDER

SENATE FILE 243

S-3083

1 Amend Senate File 243 as follows:

2 1. Page 2, after line 4 by inserting:

3 <c. It shall be a defense to a prosecution brought  
4 under subsection 1 that the person had a reasonable belief  
5 that providing assistance or making contact as required by  
6 subsection 1 would place the person at risk of serious bodily  
7 injury or death.>

By AMY SINCLAIR

S-3083 FILED MARCH 17, 2021

ADOPTED

SENATE FILE 361

S-3077

1 Amend Senate File 361 as follows:

2 1. By striking page 1, line 11, through page 2, line 11, and  
3 inserting:

4 <(1) If a confirmed positive test result for drugs or  
5 alcohol for a current employee is reported to the employer  
6 by the medical review officer, the employer shall notify  
7 the employee in writing by certified mail, return receipt  
8 requested, of the results of the test, the employee's right  
9 to request and obtain a confirmatory test of the second  
10 sample collected pursuant to paragraph "b" at an approved  
11 laboratory of the employee's choice, and the fee payable by  
12 the employee to the employer for reimbursement of expenses  
13 concerning the test. The fee charged an employee shall be an  
14 amount that represents the costs associated with conducting  
15 the second confirmatory test, which shall be consistent with  
16 the employer's cost for conducting the initial confirmatory  
17 test on an employee's sample. If the employee, ~~in person~~  
18 ~~or~~ by certified mail, return receipt requested, requests a  
19 second confirmatory test, identifies an approved laboratory to  
20 conduct the test, and pays the employer the fee for the test  
21 within seven days from the date the employer mails by certified  
22 mail, return receipt requested, the written notice to the  
23 employee of the employee's right to request a test, a second  
24 confirmatory test shall be conducted at the laboratory chosen  
25 by the employee. The results of the second confirmatory test  
26 shall be reported to the medical review officer who reviewed  
27 the initial confirmatory test results and the medical review  
28 officer shall review the results and issue a report to the  
29 employer on whether the results of the second confirmatory test  
30 confirmed the initial confirmatory test as to the presence of  
31 a specific drug or alcohol. If the results of the second test  
32 do not confirm the results of the initial confirmatory test,  
33 the employer shall reimburse the employee for the fee paid by  
34 the employee for the second test and the initial confirmatory  
35 test shall not be considered a confirmed positive test result

1 for drugs or alcohol for purposes of taking disciplinary action  
2 pursuant to subsection 10. In lieu of certified mail, return  
3 receipt requested, an employer may offer an employee the option  
4 to receive notifications and make requests as provided in this  
5 subparagraph by in-person exchange of written materials or by  
6 electronic notification. The employee may choose to receive  
7 notifications and make requests by one of these methods or may  
8 choose to receive notifications and make requests by certified  
9 mail, return receipt requested.>

10 2. Page 2, by striking lines 13 through 33 and inserting  
11 <Code 2021, is amended by adding the following new  
12 subparagraph:

13 NEW SUBPARAGRAPH. (5) In lieu of certified mail, return  
14 receipt requested, an employer may offer an employee,  
15 prospective employee, or parent of a minor who is an employee  
16 or prospective employee the option to receive copies and  
17 notices as provided in subparagraph (1) or (2) by in-person  
18 exchange of written materials or by electronic notification.  
19 The employee, prospective employee, or parent of a minor who  
20 is an employee or prospective employee may choose to receive  
21 copies and notices by one of these methods or may choose to  
22 receive copies and notices by certified mail, return receipt  
23 requested.>

24 3. Page 3, line 10, by striking <clear and convincing> and  
25 inserting <a preponderance of the>

By ZACH WHITING

S-3077 FILED MARCH 17, 2021

ADOPTED

SENATE FILE 448

S-3073

1 Amend Senate File 448 as follows:

2 1. Page 1, line 20, by striking <device> and inserting  
3 <device, including a radio frequency identification device,>

4 2. Page 1, lines 26 and 27, by striking <responsible, either  
5 individually or collectively with other system providers, as  
6 applicable,> and inserting <responsible>

By WAYLON BROWN

S-3073 FILED MARCH 17, 2021

ADOPTED

SENATE FILE 467

S-3075

1 Amend Senate File 467 as follows:

2 1. Page 1, line 13, after <weather> by inserting <or other  
3 unanticipated circumstance>

4 2. Page 1, line 23, after <2016> by inserting <, or section  
5 256.9, subsection 55>

6 3. Page 1, after line 23 by inserting:

7 <d. Unless otherwise required by a state or federal law  
8 related to students with disabilities, or in accordance with  
9 a proclamation of public health disaster emergency issued by  
10 the governor pursuant to section 29C.6, this subsection shall  
11 not be construed to require a school district or accredited  
12 nonpublic school to offer continuous remote learning, to  
13 maintain a program of continuous remote learning, to deliver  
14 instruction primarily over the internet, to continue delivering  
15 instruction primarily over the internet, or to become or remain  
16 an approved provider of online learning.>

17 4. Title page, line 5, after <weather> by inserting <or  
18 other unanticipated circumstance>

By AMY SINCLAIR

S-3075 FILED MARCH 17, 2021

ADOPTED

SENATE FILE 529

S-3079

1 Amend Senate File 529 as follows:

2 1. Page 3, after line 15 by inserting:

3 <Sec. \_\_\_\_ . Section 692A.102, subsection 1, paragraph c,

4 Code 2021, is amended by adding the following new subparagraph:

5 NEW SUBPARAGRAPH. (011) Sexual abuse in the third degree in

6 violation of section 709.4, subsection 1A.>

7 2. By renumbering as necessary.

By ANNETTE SWEENEY

S-3079 FILED MARCH 17, 2021

ADOPTED



SENATE FILE 532

S-3080

1 Amend Senate File 532 as follows:

2 1. Page 1, line 2, by striking <subsection> and inserting  
3 <subsections>

4 2. Page 1, after line 6 by inserting:

5 <NEW SUBSECTION. 25. By January 1, 2022, adopt rules  
6 pursuant to chapter 17A establishing a statement of  
7 professional recognition for mental health counselors licensed  
8 under chapter 154D. The rules shall require that any mental  
9 health practitioner who holds a master's degree and who also  
10 provides mental health services to students at a school obtain  
11 such a statement.>

12 3. Title page, line 1, by striking <a statement> and  
13 inserting <statements>

14 4. Title page, line 2, after <analysts> by inserting <and  
15 mental health counselors>

By CHRIS COURNOYER

S-3080 FILED MARCH 17, 2021

ADOPTED

SENATE FILE 551

S-3074

1 Amend Senate File 551 as follows:

2 1. Page 1, by striking lines 4 through 13 and inserting:

3 <1. Notwithstanding section 321.231, the driver of a  
4 vehicle making use of a blue light pursuant to section 321.423,  
5 subsection 3, or displaying fire fighter or emergency medical  
6 services registration plates issued pursuant to section 321.34,  
7 subsection 10 or 10A, may reasonably exceed the maximum speed  
8 limits based on the facts and circumstances at the time, only  
9 if all of the following apply:

10 a. The driver is a current member of a paid or volunteer  
11 fire department or emergency medical services agency.

12 b. The driver is responding to, but not returning from, an  
13 emergency call or fire alarm.

14 c. The driver has received emergency vehicle operations  
15 training.>

16 2. Page 1, line 27, after <citation.> by inserting <This  
17 subsection does not apply to a driver who holds a commercial  
18 driver's license or commercial learner's permit.>

By ADRIAN DICKEY

S-3074 FILED MARCH 17, 2021

ADOPTED

SENATE FILE 562

S-3082

1 Amend Senate File 562 as follows:

2 1. By striking page 1, line 32, through page 2, line 7, and  
3 inserting:

4 <Sec. \_\_\_\_ . Section 709.15, subsection 1, Code 2021, is  
5 amended by adding the following new paragraph:

6 NEW PARAGRAPH. *0a. "Adult providing training or instruction"*  
7 means an adult who is not a school employee who provides  
8 paid training or instruction to a minor outside of a school  
9 setting. *"Adult providing training or instruction"* includes  
10 but is not limited to an adult who provides paid training or  
11 instruction related to the use of firearms, athletics outside  
12 of a school setting, or any other activities which result in a  
13 minor receiving a certificate or license. For purposes of this  
14 paragraph, *"adult"* is a person age eighteen years or older who  
15 is four or more years older than the minor receiving training  
16 or instruction.>

17 2. By renumbering as necessary.

By DAN DAWSON

S-3082 FILED MARCH 17, 2021

ADOPTED

SENATE FILE 562

S-3085

1 Amend Senate File 562 as follows:

2 1. Page 2, after line 26 by inserting:

3 <c. This subsection only applies to an offense which  
4 occurs within the period of time the adult providing training  
5 or instruction was receiving payment for the training or  
6 instruction.>

By TONY BISIGNANO

S-3085 FILED MARCH 17, 2021

ADOPTED

SENATE FILE 568

S-3076

1 Amend Senate File 568 as follows:

2 1. Page 3, line 5, after <election> by inserting <and no  
3 other person has filed as a candidate for the nomination in  
4 that election>

5 2. By striking page 8, line 31, through page 9, line 6, and  
6 inserting:

7 <For a public measure appearing on a ballot in the month of  
8 March or September, the entity requesting the public measure  
9 shall mail notification of the election to each household that  
10 includes a registered voter eligible to vote on the public  
11 measure not later than twenty days before the election. The  
12 notification shall include the date of the election, the hours  
13 during which the polls will be open, and information on finding  
14 the voter's polling place, including the internet site and  
15 telephone number of the county commissioner of elections and  
16 the internet site of the state commissioner of elections.>

17 3. Page 15, before line 12 by inserting:

18 <Sec. \_\_\_\_ . Section 53.37, subsection 2, Code 2021, is  
19 amended to read as follows:

20 2. The term "*armed forces of the United States*", as used in  
21 this subchapter, shall mean the army, navy, marine corps, coast  
22 guard, ~~and~~ air force, and space force of the United States.>

23 4. By renumbering as necessary.

By ROBY SMITH

S-3076 FILED MARCH 17, 2021

ADOPTED

SENATE FILE 580

S-3078

1 Amend Senate File 580 as follows:

2 1. Page 10, line 17, after <company> by inserting <but not  
3 earned under the terms of the agreement with the governmental  
4 entity at the time of the cancellation of the agreement  
5 pursuant to subsection 1,>

6 2. Page 10, line 19, after <termination> by inserting  
7 <pursuant to this subsection>

8 3. Page 10, line 23, after <claimed> by inserting <but not  
9 earned>

10 4. Page 10, line 24, by striking <pursuant to this  
11 subsection>

12 5. Page 11, line 1, after <company> by inserting <but not  
13 earned under the terms of the agreement with the governmental  
14 entity at the time of the cancellation of the agreement  
15 pursuant to subsection 1>

16 6. Page 11, line 14, by striking <agreements;> and inserting  
17 <agreements related to>

18 7. Page 11, line 21, by striking <agreements,> and inserting  
19 <agreements related to>

By JAKE CHAPMAN

S-3078 FILED MARCH 17, 2021

ADOPTED

SENATE FILE 580

S-3084

1 Amend Senate File 580 as follows:

2 1. Page 7, after line 33 by inserting:

3 <(6) Promotion of insurrection.

4 (7) Promotion of activities that constitute fraud in the  
5 conduct of an election.

6 (8) Interference by foreign countries or foreign persons in  
7 an election.

8 (9) Hate speech or harassment.>

By ZACH WAHLS

S-3084 FILED MARCH 17, 2021

LOST



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[SF 432](#) – Tax Deduction, Student Loan Interest (LSB2588XS)  
Staff Contact: Jeff Robinson (515.281.4614) [jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov)  
Fiscal Note Version – New

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**Description**

[Senate File 432](#) expands the existing Iowa income tax deduction for student loan interest paid by a taxpayer by removing the annual maximum deduction amount of \$2,500 and by removing a restriction that limits availability of the deduction for taxpayers with modified adjusted gross income above an amount specified in federal law. The Bill is retroactive to the beginning of tax year (TY) 2021.

**Background**

Iowa tax law couples with the federal deduction for qualified student loan interest. The federal maximum amount of interest a taxpayer may deduct in a year is \$2,500. The deduction phases out for taxpayers with modified adjusted gross income between \$70,000 and \$85,000 for single taxpayers and between \$140,000 and \$170,000 for married taxpayers. The thresholds listed are TY 2020 amounts, and the amounts are adjusted annually for inflation. Taxpayers with incomes above the top threshold do not benefit from the current federal or Iowa student loan interest deduction.

**Assumptions**

The projection developed by the Department of Revenue is based on actual TY 2019 income tax returns filed by Iowa taxpayers adjusted for demographic changes. Assumptions include the following:

- To project the impact on Iowa taxpayers, the Department of Revenue adjusted the student interest claimed on actual Iowa TY 2019 income tax returns for two factors:
  - The amount of 2019 interest paid by taxpayers impacted by the income thresholds that is above the amount they were allowed to deduct.
  - The amount of 2019 interest paid by taxpayers above the maximum \$2,500 allowed deduction.
  - After adjustment for the two factors, the projected amount of student loan interest claimed by taxpayers under the proposal is \$967.1 million. This compares to the projected \$190.4 million in interest deductions allowed under current law.
- Although the change is effective retroactive to January 1, 2021, taxpayers are not assumed to make withholding or estimate payment changes until after June 30, 2021. The General Fund impact for a tax year is assumed to occur in the fiscal year that begins after the start of the tax year.
- Tax exemptions impact the calculation of the local option income surtax for schools. As a statewide average, the surtax equals 3.0% of State income tax liability.

**Fiscal Impact**

Removing the current \$2,500 qualified student loan interest deduction limit and the related income thresholds is projected to reduce annual net General Fund revenue by \$25.5 million per fiscal year, beginning FY 2022.



The expanded income tax exemption will also reduce the annual amount of revenue raised by the local option income surtax for schools by \$750,000, beginning FY 2022.

**Sources**

Iowa Department of Revenue  
Moody's Analytics  
Regional Economic Models, Inc. (REMI)

/s/ Holly M. Lyons

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March 17, 2021

Doc ID 1216941

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[www.legis.iowa.gov](http://www.legis.iowa.gov)



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**SF 580** – Technology Industry, Economic Incentives (LSB2024SV)  
Staff Contacts: Eric Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)  
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Fiscal Note Version – New

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## **Description**

**Senate File 580** prohibits the State or political subdivisions from entering into contracts with, or providing tax incentives or any other economic benefits to, certain technology companies that affect the ability of Iowans to view, comment, or otherwise interact with certain content on a company's Internet site, as decided by a court. The Bill requires that, before public funds are used for economic development, the public body must consider whether a court has found that the person to whom the funds will be dispersed has violated a provision of the newly established Iowa Code chapter 554E, and whether the person is involved in litigation in which it has been alleged that the person violated Iowa Code chapter 554E.

If a political subdivision enters into a contract or provides incentives to a company found in violation of the Bill, the amount of taxes from the previous fiscal year certified back to the county auditor from the Department of Management will be reduced by 10.0%, and another 5.0% in a subsequent year.

Any governmental entity will be prohibited from entering into a contract or providing economic incentives to a company found in violation of the Bill for a period of 20 years from the date of a court's finding. Tax incentives and economic benefits affected by the Bill include tax credits, assistance under Iowa Code section [15.335B](#), sales tax exemptions or refunds, property tax rebates or grants, and any other benefits previously claimed by a company going back to January 1, 2001. Any previously awarded benefits will be reclaimed by the State or local government jurisdiction.

The Bill requires the Attorney General to provide enforcement guidance to political subdivisions in any contractual obligations going forward, and requires the Attorney General to enforce provisions in the Bill, including appealing a district court's decision if a company prevails in district court in an action under Iowa Code chapter 554E and filing an application for further review with the Supreme Court if a company prevails in the Court of Appeals. The Attorney General must also, within 60 days of the effective date of the Bill, provide an Internet site available to the public so individuals can report any instances of potential censorship, which the Attorney General must investigate within 30 days of receipt. The Attorney General must adopt rules to administer the Bill. The Bill also authorizes governmental entities and individuals to intervene in a legal action that involves them.

The Bill includes a State mandate and makes inapplicable Iowa Code section [25B.2\(3\)](#), which would relieve a political subdivision from complying with a State mandate if funding for the cost of the State mandate is not provided.

The Bill takes effect upon enactment.

## **Background**

The Iowa Economic Development Authority (IEDA) administers State tax credits, with a statutory cap of \$155.0 million in FY 2021. The IEDA has the authority through Iowa Code section [15.333](#) to award Investment Tax Credits. Businesses may claim a tax credit on corporate, income, and insurance premium taxes equal to a percentage of the new investments directly related to new jobs created or retained by a project. Eligible investments include the cost of machinery and equipment purchased for use in the operation of the business, the purchase price of real property and any buildings and structures located on the property, the cost of improvements made to the property, and base rent paid by a business to a third-party developer. Since 2007, the IEDA has awarded \$45.7 million in Investment Tax Credits to four technology firms for four projects totaling \$2.8 billion in investments that involve 203 new and retained jobs. Most of these credits are from IEDA's High Quality Jobs Program (HQJP), which provides tax benefits to eligible companies that create high-paying jobs and make capital investments. The HQJP has a statutory cap of \$105.0 million per year to use in tax credits. In FY 2020, IEDA awarded \$26.0 million in HQJP tax credits to 24 projects. Tax credits can be claimed for five years in most cases.

The IEDA is also authorized to provide sales and use tax exemptions to eligible businesses, including contractors and subcontractors on a project after construction is completed, as part of the HQJP. In FY 2019, \$28.3 million was claimed in State sales and use taxes, \$24.6 million due to the HQJP. Since 2007, the IEDA has awarded \$84.1 million in sales and use tax exemptions to three technology corporations for eight projects totaling \$4.9 billion in investments that involve 391 new and retained jobs. Sales and use tax exemptions to eligible businesses can also affect the Local Option Sales Tax (LOST) in jurisdictions with local sales and use taxes.

Local governments also have the authority to award eligible businesses property tax credits and economic incentives in conjunction with IEDA's tax credit programs, including the HQJP. Since 2007, four technology companies have received full or partial property tax exemptions in conjunction with IEDA's tax credit programs for six projects totaling \$2.7 billion. Tax-increment financing (TIF) and infrastructure improvements have also been awarded by local governments to technology corporations for five projects. Iowa Code section [427.1](#) allows property tax exemptions for web search portal businesses and data center businesses. In 2020, there was \$766.92 million in assessed value derived from these exemptions.

Assessed property evaluations within a school district affect the amount of State General Fund dollars sent to each school district. The State, by operation of the State School Foundation Aid Formula, funds school districts up to 87.0% of total funding after a uniform levy of \$5.40 is assessed on all property within a district. Beyond 87.0%, an additional levy is assessed on all property within a district to reach 100.0% of per pupil funding for a school district.

Per Iowa Code section [24.17](#), local governments and school districts must certify their budgets not later than March 31 and April 15, respectively, each fiscal year, with a copy sent to the county auditor and the State Appeal Board within the Department of Management. By June 15 of each fiscal year, the Department of Management certifies taxes available to the county auditor for the local government or school district.

## Assumptions

- There are no potential legal decisions over the next two years that would cause the State to recoup any previously awarded benefits until FY 2024 at the earliest.
- The Legislative Services Agency (LSA) cannot assume the result of theoretical legal proceedings. For purposes of this fiscal note, however, the LSA will illustrate the fiscal impact if one taxpayer that has signed contracts with the State of Iowa and local government jurisdictions, and has been operational in the State since 2019, is found in court to have violated provisions of the Bill prohibiting online censorship.
- The Bill would lead to the revocation of tax credits provided under Iowa Code section 15.335B and the 100.0% recapture of any such tax credits that have already been claimed by a taxpayer, including tax credits awarded through the HQJP, including both Investment Tax Credits and Sales and Use Tax Refunds, beginning in FY 2024.
- The Bill provides for the 100.0% recapture of tax credits, tax exemptions, and other tax benefits claimed in prior years. The estimated impacts associated with the recapture of these prior-year claims are provided separately in this estimate. For purposes of this estimate, these are assumed to occur in FY 2024 and, in the case of property taxes, FY 2025.
- Prospective Investment Tax Credit and sales tax impacts would occur beginning FY 2024, and prospective property tax impacts would begin with assessment year (AY) 2024 and would affect property tax revenues beginning with FY 2026.
- The estimated timing of fiscal impacts resulting from the revocation of unclaimed tax credits that have already been allocated or awarded reflects the projected timing of awarded claims under current law, according to Iowa Department of Revenue (IDR).
- Estimates of the currently exempt sales made nonexempt by the proposal are based on an Iowa IDR analysis of sales reported as exempt by taxpayers assumed to be affected by the proposal. It is assumed that the share of currently exempt sales tax authorized by Iowa Code section [423.3](#)(92), (93), and (95) and made nonexempt by the proposal is proportionate among all affected taxpayers.
- Estimates of property tax impacts are based on the value of commercial property receiving web/data exemptions under Iowa Code section 427.1(35), (36), and (37) is from the IDR abstracts of assessment. The value of commercial property receiving web/data exemptions was \$766.92 million in AY 2020. This fiscal note assumes that 20.0% of the value will be affected by the Bill.
- Estimated property tax impacts assume a levy rate of \$37.21430 per \$1,000 of taxable valuation and a commercial rollback rate of 90.0%.
- Property tax recapture would create the need for credits to the General Fund for past years' per pupil payment, or a reduction in future year School Aid Formula payments.
- Growth in estimated impacts arising from the elimination of sales tax exemptions and property tax exemptions and rebates reflects 2.0% annual inflation.
- Changes to corporate income tax and sales and use tax liability as a result of the proposal are estimated to lead to General Fund revenue increases. Changes to sales and use tax liability also affect LOST assessed at 1.0%. Changes to property tax liability are assumed to decrease expenditures from the General Fund by operation of the State School Foundation Aid Formula; otherwise such changes will lead to revenue increases for affected local jurisdictions.
- Local government jurisdictions do not violate the section of the Bill that would result in any removal of appropriations or tax revenues.
- The Attorney General would need to establish a new division to handle and investigate

complaints, then litigate against multiple large technology companies at the same time.

- The Attorney General would hire additional positions to meet the requirements of the Bill beginning in FY 2022.
- The Attorney General may need to hire 3.0 full-time equivalent (FTE) investigators. If an experienced investigator is hired, the cost would be up to approximately \$117,000 per FTE position. However, the entry-level cost of an Investigator 4 position would be approximately \$72,000. For estimation purposes, a midpoint is used for the estimated cost.
- The Attorney General may need to hire 3.0 FTE attorneys. If an experienced attorney is hired, the cost would be up to approximately \$156,036 per FTE position. However, the cost of an entry-level Assistant Attorney General 3 position is \$115,417. For estimation purposes, a midpoint is used for the estimated cost.

## **Fiscal Impact**

### **Tax Impact to State and Local Governments**

If one taxpayer is adversely affected through a legal decision, the Bill is estimated to increase General Fund revenue by \$21.0 million beginning in FY 2024 before dropping to a \$4.7 million increase in FY 2025, and remaining relatively stable through FY 2030. The Bill increases revenue to local jurisdictions by \$12.4 million beginning in FY 2024 before dropping to a \$4.7 million positive impact in FY 2025 and increasing slightly through FY 2030. **Table 1** below outlines the estimated fiscal impact to the General Fund and local government jurisdictions from the Bill.

Fiscal Year	Estimated General Fund Fiscal Increases (\$ Millions)							Estimated Local Jurisdiction Fiscal Increases (\$ Millions)				
	Revocation of Tax Credits Allocated or Awarded	Recapture of Tax Credits Previously Claimed	Change in State School Foundation Aid	Recapture of State School Foundation Aid Associated with Property Tax Incentives for Prior Years	Elimination of Sales and Use Tax Exemptions	Recapture of Past Sales and Use Tax Exemptions	Total General Fund Impact	Property Tax	Recapture of Property Tax Incentives for Prior Years	Local Options Sales Tax (LOST)	Recapture of Past Local Option Sales Tax (LOST)	Total Impact on Local Jurisdictions
FY 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 2023	-	-	-	-	-	-	-	-	-	-	-	-
FY 2024	1.7	10.0	-	2.2	1.4	5.7	21.0	-	11.2	0.2	0.9	12.4
FY 2025	2.4	-	-	0.9	1.5	-	4.7	-	4.5	0.2	-	4.7
FY 2026	2.0	-	0.9	-	1.5	-	4.4	4.6	-	0.2	-	4.8
FY 2027	3.4	-	0.9	-	1.5	-	5.8	4.7	-	0.3	-	4.9
FY 2028	1.9	-	0.9	-	1.5	-	4.3	4.8	-	0.3	-	5.0
FY 2029	1.2	-	0.9	-	1.6	-	3.7	4.9	-	0.3	-	5.1
FY 2030	1.7	-	1.0	-	1.6	-	4.3	5.0	-	0.3	-	5.2

### **Office of the Attorney General**

The Attorney General estimates it would need to hire three investigators and three attorneys to fulfill the requirements of this Bill. The annual cost increase to the Attorney General would be approximately \$690,000 beginning in FY 2022 (**Table 2**).

**Table 2 — Attorney General FTE Costs**

	Salary and Benefits	Est. FTE Positions Required	Total Cost
Investigator 4	\$ 94,000	3.0	\$ 282,000
Asst. Atty General 3	136,000	3.0	408,000
			<b>\$ 690,000</b>

There may be additional and ongoing costs for the setup and maintenance of the complaint process, but an estimate cannot be made at this time.

**Sources**

Iowa Economic Development Authority  
Iowa Department of Revenue  
Iowa Department of Justice, Office of the Attorney General  
LSA analysis

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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