NINETY-FIRST GENERAL ASSEMBLY
2026 REGULAR SESSION
DAILY

SENATE CLIP SHEET

October 2, 2026

Clip Sheet Summary

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

Bill	Amendment	Action	Sponsor
SF 2508	S-5261	Lost	THOMAS TOWNSEND, et al
SF 2508	S-5262	Lost	MOLLY DONAHUE, et al

Fiscal Notes

SF 2508 — MEGA Program, Project Eligibility (LSB6976XS)

SENATE FILE 2508

S-5261

Amend Senate File 2508 as follows:

1. Page 1, after line 4 by inserting:

<NEW SUBSECTION. 22A. "*Project labor agreement*" means a comprehensive pre-hire collective bargaining agreement that is negotiated between an eligible business and an appropriate labor organization and that sets out the basic terms and working conditions for that project.>

2. Page 2, after line 9 by inserting:

<Sec. ___. Section 15.494, subsection 1, Code 2026, is amended by adding the following new paragraph:

NEW PARAGRAPH. *h.* The eligible business must enter into one or more project labor agreements for any construction to be performed for the project.>

3. By renumbering as necessary.

By THOMAS TOWNSEND
WILLIAM A. DOTZLER, JR.
TONY BISIGNANO
CATELIN DREY
LIZ BENNETT
ART STAED
RENEE HARDMAN
MIKE ZIMMER
JANICE WEINER
MATT BLAKE
HERMAN C. QUIRMBACH
CINDY WINCKLER
JANET PETERSEN
MOLLY DONAHUE
SARAH TRONE GARRIOTT

S-5261 FILED OCTOBER 2, 2026
LOST

SENATE FILE 2508

S-5262

Amend Senate File 2508 as follows:

1. Page 2, after line 9 by inserting:

<Sec. ___. Section 15.494, subsection 1, Code 2026, is amended by adding the following new paragraph:

NEW PARAGRAPH. *h.* The eligible business must remain neutral in any organizing effort by a labor organization for the term of the agreement and the maintenance period.>

2. By renumbering as necessary.

By MOLLY DONAHUE
JANICE WEINER
MIKE ZIMMER
RENEE HARDMAN
CINDY WINCKLER
HERMAN C. QUIRMBACH
MATT BLAKE
ART STAED
LIZ BENNETT
CATELIN DREY
WILLIAM A. DOTZLER, JR.
TONY BISIGNANO
THOMAS TOWNSEND
JANET PETERSEN
SARAH TRONE GARRIOTT

S-5262 FILED OCTOBER 2, 2026

LOST

Fiscal Note

Fiscal Services Division

SF 2508 – MEGA Program, Project Eligibility (LSB6976XS)
Staff Contact: Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov
Fiscal Note Version – New

Description

Senate File 2508 modifies the Major Economic Growth Attraction (MEGA) Program. Under current law, the Iowa Economic Development Authority (IEDA) may offer two MEGA Program Investment Tax Credit awards for up to 5.0% of an eligible business's qualifying investment that is remitted equally over five tax years. The Bill specifies that in lieu of two awards for up to 5.0% of a business's qualifying investment, the IEDA may instead authorize one MEGA Program Investment Tax Credit award to an eligible business located in a rural county for up to 10.0% of the business's qualifying investment that is remitted equally over 10 tax years. The Bill defines "rural county" to include those with a population of 50,000 or less according to the most recent decennial census. An Investment Tax Credit issued to a business in a rural county is refundable and transferable to any person or entity. Any credit in excess of a present year tax liability may be credited to the future tax liability of the business or transferee for up to 10 years. An Investment Tax Credit issued for a project in a rural county is transferable for agreements entered into on or before December 31, 2027.

The Bill allows a business's proposed project in a rural county to be eligible for the MEGA Program if the business documents to the IEDA that the business has completed a site evaluation commensurate with a certified site.

Under current law, an Investment Tax Credit is not issued until an eligible business's project has been placed in service and at least 50.0% of project jobs have been created. The Bill allows an Investment Tax Credit to be issued to an eligible business once a designated portion of the project has been placed in service and at least 50.0% of project jobs for the designated portion have been created. The Bill allows the Investment Tax Credit to be claimed against the insurance premiums tax in Iowa Code chapter 432. The Bill specifies that an affiliate of a business that receives an award may be liable for repayment of incentives if the business fails to comply with any Program or agreement requirements and that the IEDA may revoke an Investment Tax Credit award and require repayment if project requirements are not met or if a tax credit is obtained by way of a prohibited activity.

Under current law, agricultural land purchased by a foreign business for participation in the MEGA Program must be a MEGA site or be included in a MEGA site to be authorized by the IEDA Board. The Bill allows the IEDA Board to authorize the purchase of agricultural land by a foreign business if the IEDA determines that the business has completed a site evaluation commensurate with a certified site.

The Bill takes effect upon enactment.

Background

The MEGA Program provides tax incentives to attract capital investment from businesses that invest at least $1.000 billion in the State. The business must be primarily engaged in advanced manufacturing, bioscience, or research and development. The following incentives are provided through the MEGA Program:

- An Investment Tax Credit of up to 5.0% of a business's qualifying investment. The credit is refundable and may be carried forward for up to five consecutive tax years.
- A refund of the sales and use taxes paid for gas, electricity, water, and sewer utilities services; tangible personal property; or services rendered, furnished, or performed that contributed to the construction or equipping of the facility.
- A withholding tax credit of up to 3.0% of the gross wages paid to each employee in a project job that pays at least the qualifying wage threshold. The credit may be carried forward for up to five consecutive tax years.

A local government may award a property tax exemption for a portion of the actual value added by improvements to real property directly related to created jobs.

Tax incentives under the MEGA Program cannot be awarded to more than two eligible businesses or after January 1, 2030. As of October 1, 2026, no MEGA Program tax incentives have been awarded.

Assumptions

For the purpose of determining a fiscal impact, the following assumptions were used:

- According to a press release from the Office of the Governor, the changes to the MEGA Program in the Bill are for the purpose of allowing a MEGA Program award for a Mesabi Metallics steel manufacturing facility project. This ***Fiscal Note*** assumes that the Mesabi Metallics project would be eligible to receive a MEGA Program award under current law and would receive a MEGA Program award under the Bill.
- Under current law, it is assumed that the Mesabi Metallics project would be the only project that receives a 5.0% MEGA Program Investment Tax Credit award from the IEDA Board. The project must be placed in service before receiving the credit.
- Due to changes in the Bill, it is assumed that one award receiving a 10.0% Investment Tax Credit will be made by the IEDA Board for a project in a rural county and no awards receiving a 5.0% Investment Tax Credit will be made.
- The project receiving an award will have a total investment of $15.000 billion. Of this amount, $11.150 billion will be a qualifying investment.
- An Investment Tax Credit will be issued as portions of the project become operational. Issued Investment Tax Credits will be claimed equally over 10 years and all issued credits will be claimed by either the business or transferee. The project will be operating at 8.7% capacity in FY 2029, 33.9% capacity in FY 2030, 81.7% capacity in FY 2031, and 100.0% capacity in FY 2032.
- Investment Tax Credits will be fully refunded rather than carried forward against future tax liability.
- All tax credits will be remitted in the same year they are claimed.
- The project will receive an Investment Tax Credit of 10.0% of the project's qualifying investment.
- Sales and use tax refunds and Withholding Tax Credits eligible under the MEGA Program are not changed in the Bill. Tax incentives claimed by the project under the MEGA Program for sales and use tax refunds and Withholding Tax Credits are estimated to be the following:
  - FY 2027 = $0
  - FY 2028 = $13.7 million
  - FY 2029 = $39.7 million
  - FY 2030 = $75.9 million
  - FY 2031 = $31.5 million
  - FY 2032 = $4.7 million

- FY 2033 = $4.9 million
- FY 2034 = $5.0 million
- FY 2035 = $5.2 million
- FY 2036 = $5.3 million
- FY 2037 = $5.5 million
- FY 2038 = $5.6 million
- FY 2039 = $5.8 million
- FY 2040 = $6.0 million
- FY 2041 = $6.2 million

Fiscal Impact

Senate File 2508 is estimated to decrease revenue to the General Fund. **Figure 1** displays the net impact of changes to the Investment Tax Credit made by the Bill compared to current law over the course of the project.

Figure 1 — General Fund Revenue Impact

(in Millions)

	Current Law	SF 2508	Revenue Impact
FY 2027	$ 0.0	$ 0.0	$ 0.0
FY 2028	0.0	0.0	0.0
FY 2029	0.0	-10.0	-10.0
FY 2030	0.0	-39.0	-39.0
FY 2031	0.0	-94.0	-94.0
FY 2032	-115.0	-115.0	0.0
FY 2033	-115.0	-115.0	0.0
FY 2034	-115.0	-115.0	0.0
FY 2035	-115.0	-115.0	0.0
FY 2036	-115.0	-115.0	0.0
FY 2037	0.0	-115.0	-115.0
FY 2038	0.0	-115.0	-115.0
FY 2039	0.0	-105.0	-105.0
FY 2040	0.0	-76.0	-76.0
FY 2041	0.0	-21.0	-21.0

Sources

Iowa Department of Revenue
LSA calculations and analysis

/s/ Jennifer Acton
October 2, 2026

Doc ID 1616829

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.