260E is not a tax credit program:

The mechanism for encouraging job creation and providing funding for job training under Chapter 260E does not rely on tax credits. Rather, under Chapter 260E a new or expanding business continues to pay withholding taxes but instead of paying all of them to the state a portion of the withholding is paid to the participating community college which is providing the job training in order to pay the costs of the job training or to pay the debt service on the certificates issued by the community college to provide the funding for the job training. Thus, there is no tax break for the business. The business and the employees do benefit from the training that the employees receive. That benefit is paid from the portion of the withholding taxes deducted from the employee's wages and paid to the community college but neither the employee nor the employer is paying less tax or receiving any kind of credit against their taxes in connection with the program. [David VanSickel, Davis Brown Law Firm]

Projects reported as "no new jobs" are misleading:

- For DMACC, there were 52 projects reported as having "no new jobs". In fact, 42 of the 52 had resulted in at least 100% job creation. They were reported as "no new jobs" because at the end of the 10 year the company has sold, moved or had gone out of business. Below is one example. Just above where the Auditor cited "0" the data report showed that 92 of the 92 "Planned New Jobs" had been created, a 100% success.

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logout

CONTRACT **E11-0242**
ENGINEERING ANIMATION INC #2
2321 N LOOP DR
AMES, Iowa 50010

Employment Numbers

Planned New Jobs	92
Highest Number Of New Jobs	92
Current Number Of Jobs	0

Principal

Repaid this year	Original Principal	Principal Balance
193728.16	619500.00	0

General Financial

Project Paid Off ☑ **Standby Levy** ☐

Of the 491 projects DMACC has handled to date:

- Only 7 projects hired less than the Planned New Jobs promised (1.4% of total projects)
- Only 3 hired no jobs (.6% of total projects)
- 322 projects have been closed out. For these closed projects:
  - i. $93,449,500 in bonds were sold and utilized
  - ii. 26,245 jobs were created
  - iii. The payroll required to generate the payroll taxes diverted to pay the bonds: $5,951,234,760 (Almost $6 **billion** in payroll in Central Iowa from a $93.4 **million** investment)
  - iv. Each **$1** of bond sold generated **$64** in payroll just for the period it took for the bonds to be paid off. [This does not include all the payroll generated after the bonds were paid off and all payroll taxes went to the State of Iowa]