



High Quality Jobs Tax Credit Program

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Outline

- Review the Iowa High Quality Jobs Tax Credit Program
- Awards and claims data
- Employment impacts

High Quality Jobs Tax Credit Background

- Major Economic Development Tool
 - \$105 million of annual award cap

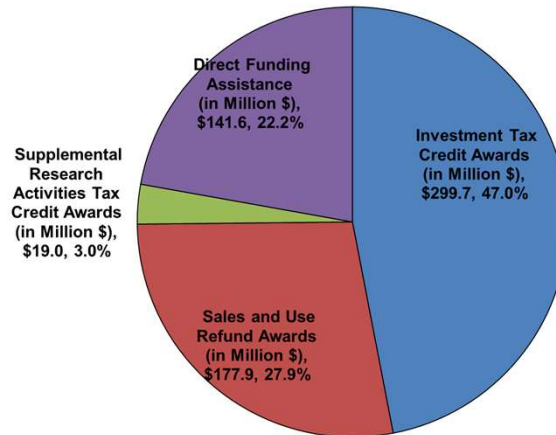
- Major Components:
 - Investment tax credits (ITC)
 - Sales and use tax refunds
 - Supplemental research activities tax credits (SRAC)
 - Corporation income tax credit for third party sales tax
 - Property tax exemption
 - Grants

High Quality Jobs Tax Credit Awards

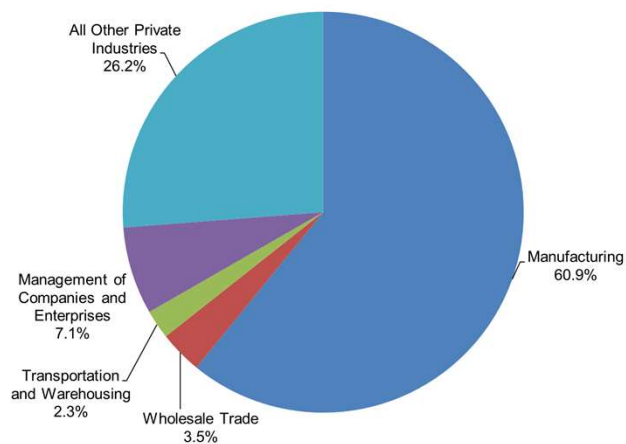
Award Fiscal Year	Total Number of Awards	Total Awards (\$ Million)	Pledged Business Investment (in Billion \$)	Total Projected Jobs Creation	Total Projected Jobs Retention	Average Annual Wage
2011	35	\$18.9	\$0.6	836	305	\$41,157
2012	87	\$176.0	\$24.1	4,734	2,709	\$42,922
2013	97	\$87.4	\$17.1	2,233	10,440	\$42,066
2014	86	\$33.9	\$2.8	996	516	\$40,027
2015	135	\$39.4	\$5.9	6,005	624	\$41,111
2016	157	\$43.4	\$4.1	4,762	1,689	\$41,543
2017	163	\$24.3	\$2.9	4,167	342	\$41,845
2018	144	\$29.2	\$3.5	4,583	414	\$43,362
2019	80	\$29.3	\$3.5	5,150	240	\$44,375
2020	42	\$10.7	\$2.6	610	0	\$41,808
2021	36	\$4.2	\$0.5	666	0	\$40,735
	1,062	\$496.6	\$67.6	34,742	17,279	\$41,905

Source: Iowa Economic Development Authority

High Quality Jobs Tax Credit Awards By Component



High Quality Jobs Tax Credit Awards By Industry



High Quality Jobs Tax Credit Claims

Fiscal Year	Total Claimed HQJ Incentives
2011	\$17,040,022
2012	\$12,290,868
2013	\$14,520,963
2014	\$21,307,048
2015	\$20,769,529
2016	\$45,373,850
2017	\$30,202,768
2018	\$28,263,846
2019	\$39,965,947
2020	\$26,713,197
2021	\$18,374,570
Total	\$274,822,608

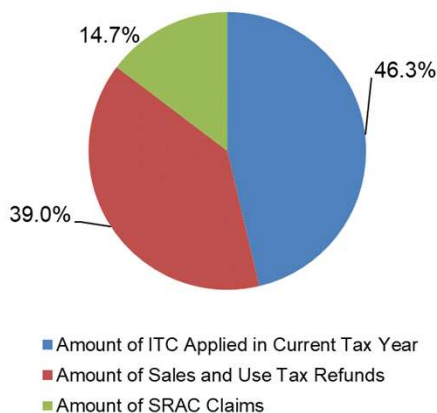
- HQJ tax incentives will be claimed over five years and carried forward for seven years, thus much of the awards issued during the past decade will be claimed in the future.

Source: Iowa Department of Revenue



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High Quality Jobs Tax Credit Claims By Component



Source: Iowa Department of Revenue



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High Quality Jobs Tax Credit Program Employment Impact - Methodology

- Research Question: Did HQJ program help increase employment?
 - Using statistical method (propensity score matching) to select a control group (counties without HQJ)
 - Comparing counties with HQJ projects (2011-2016) with those from the control group

High Quality Jobs Tax Credit Program Employment Impact - Data

- Two sets of data
 - Industry employment: Employment in the same industry as the HQJ project in the county
 - County employment: Total employment in the county
 - Pre HQJ projects period: 2008-2010
 - Post HQJ projects period: 2017-2019

High Quality Jobs Tax Credit Program Employment Impact - Results

- Positive and statistically significant impact on industry employment
 - Strong evidence to show HQJ program to increase industry employment in the county by 97% over about a decade, compared to the control group
- Positive and statistically insignificant impact on county employment
 - But the estimated job gain is not significant enough at county level

Major Findings

- About \$496.6 million of HQJ tax incentives had been awarded between FY 2011 and FY 2021. About \$274.8 million of tax credits had been claimed.
- Manufacturing industry accounted for the majority of awards and claims.
- The HQJ program increased industry employment in the county with HQJ projects compared to the control group, but impacts on county-wide total employment were insignificant.

Questions

Thank you!