

	CURRENT		PROPOSED		FISCAL IMPACT	EXPLANATION
	PROGRAM	ALLOCATION	PROGRAM	ALLOCATION		
<b>BUSINESS DEVELOPMENT INCENTIVES</b> (create \$110 million cap)	High Quality Jobs (HQP)	\$68 million	Business Incentives for Growth (new)	\$50 million	(\$18 million)	Sunset the HQJ program and replace it with Business Incentives for Growth that better addresses industry needs and helps them compete. In addition, sunset the supplemental RAC credit available through HQJ.
	HQJ Supplemental RAC	No Cap			Approx. savings of (\$1 million)	
	Angel Investor Tax Credit (tax credits for investments in qualifying businesses) + Innovation Fund Tax Credit	\$10 million total (\$2 million for Angel Investor + \$8 million for Innovation Fund)	Seed Investor Tax Credit (new) + Innovation Fund Tax Credit (existing)	\$10 million	Status Quo	Sunset the Angel Investor program. Create a new Seed Investor program. The combined cap for the new program and the existing Innovation Fund Tax Credit program would be \$10 million. Reduce the Innovation Fund certification criteria to \$3 million from \$15 million. Both updates will provide an added benefit for rural Iowa. The Angel Investor program will need a \$320,000 allocation to complete the waiting list for applications received before April 1, 2022.
	Renewable Chemical Production Tax Credit (RCPTC)	\$5 million	RCPTC (existing) + Sustainable Aviation Fuel Production Tax Credit (SAFPTC) (new)	\$10 million	\$5 million	The existing RCPTC and new SAFPTC would be under a combined cap of \$10 million. The establishment of the SAFPTC program conveys that Iowa is a key contender for SAF projects.
	Research Activities Credit (RAC)	No Cap*	Research & Development Tax Credit (R&D)	\$40 million	New cap Approx. savings of (\$16 million) - varies by fiscal year	Sunset the RAC program administered by IDR and replace it with an R&D credit administered by IEDA. The new program would be limited to specific key industries, require an application process and capped at \$40 million per fiscal year.
	Major Economic Growth Attraction (MEGA)	N/A		Status Quo	N/A	Clean up sales and use tax refund on construction materials to allow quarterly claims.
	Targeted Jobs Withholding Tax Credit (TJ)	No Cap	Sunset – 2027	N/A	Approx. savings of (\$2.2 million)	The TJ program is set to sunset in 2027. Limit the amount of withholding tax credit to 1.5% until then with no agreements longer than the sunset.
	Assistive Device Tax Credit	No Cap	Repeal	N/A	N/A	The incentive is not utilized.

\* average amount \$56 million per fiscal year

	CURRENT		PROPOSED		FISCAL IMPACT	EXPLANATION
	PROGRAM	ALLOCATION	PROGRAM	ALLOCATION		
COMMUNITY DEVELOPMENT	Workforce Housing Tax Credit (WHTC)	\$35 million		\$43 million	\$8 million	Short-term cap increase – FY 26: \$43 million, FY 27: \$40 million, FY 28: back to \$35 million.
	Redevelopment Tax Credit (Brownfield/ Grayfield)	\$15 million		\$15 million	Status Quo	Replace existing audit/ verification process with an exam in accordance with AICPA standards, consistent with WHTC and Historic.
	Historic Preservation Tax Credit	\$45 million		\$45 million	Status Quo	Update program language, including ineligibility for owner-occupied residential projects.
PROGRAM UPDATES	N/A	N/A	Iowa Film Production Incentive Program (HF2662)	\$10 million	\$10 million	Establish two-year pilot program under IEDA to encourage and better compete for in-state film production.
	Endow Iowa	\$6 million	Repeal	\$6 million	(\$6 million)	Transfer the Endow Iowa program allocation to supplement the WHTC program.
	Employer Childcare Tax Credit	\$2 million	Repeal	\$2 million	(\$2 million)	Enacted in 2022 and no applications have been received. The allocation would transfer to supplement the WHTC program.

FOR MORE INFORMATION

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