



Economic Development  
Appropriations Subcommittee  
January 25, 2018

Debi Durham, Director, Iowa Economic Development Authority

**BUILDING A  
BETTER IOWA**

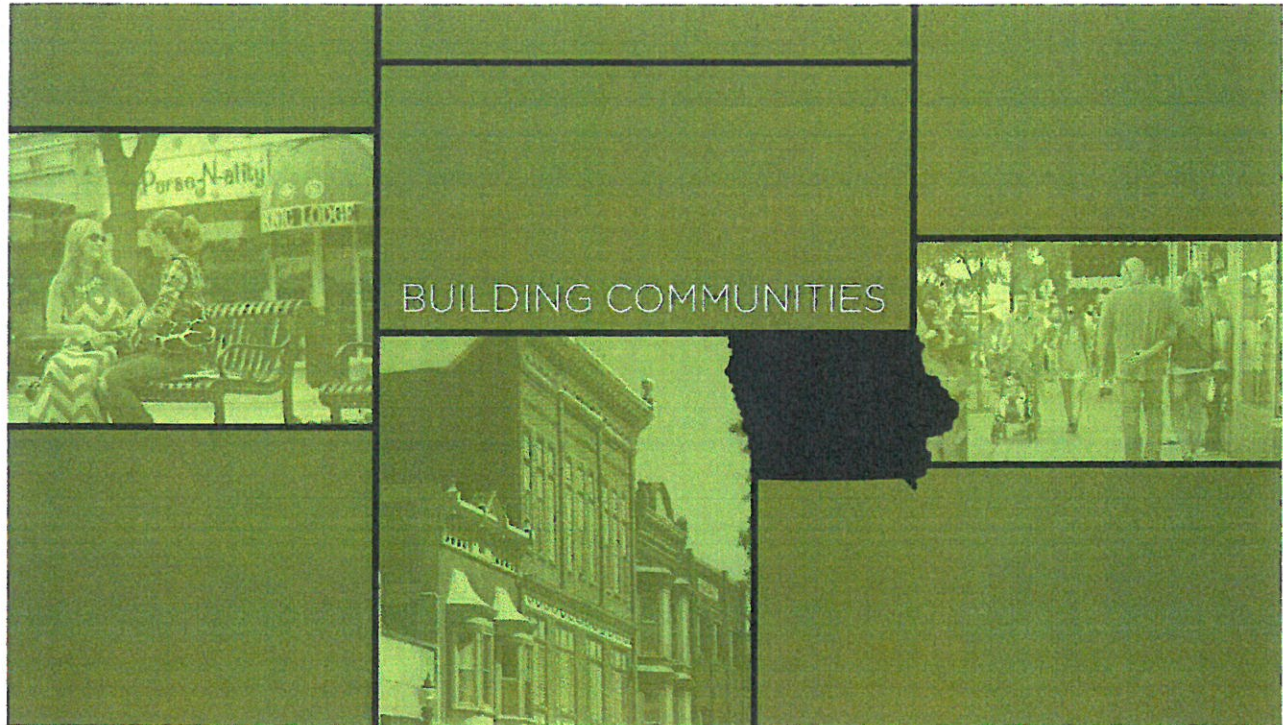
EDUCATING OUR  
CHILDREN FOR A  
KNOWLEDGE  
ECONOMY

TRAINING  
FOR THE JOBS  
OF TOMORROW

**GOVERNOR  
KIM REYNOLDS &  
LT. GOVERNOR  
ADAM GREGG**

CREATING A  
COMPETITIVE  
BUSINESS  
CLIMATE

DEVELOPING THE  
MOST INNOVATIVE  
ENERGY POLICY  
IN THE COUNTRY



## Historic Preservation

- » Recommend adjustments to eligible applicants and referring to the **federal** historic preservation tax credit guidelines
- » Annual cap - \$45 million
- » Refundable and transferrable
- » From 2014-2017 (to date):
  - 200 HPCED awards have been made
  - These awards have been located in 37 counties
  - Credits awarded total \$169.5 million
  - Total project costs for these projects is \$786,108,100 (Or \$616,568,822 in "other funds" - besides HPCED credits)



## Historic Preservation

- » IEDA has hired a full time project manager solely devoted to the oversight of the State Historic Tax Credit program.
- » State Historic Preservation Office (SHPO) focuses on project eligibility and historic rehabilitation work.
- » 2 registration/ application rounds per year for large projects (spring and fall)
- » Administrative rules were amended to provide clarity and guidance to our customers
  - Rules allow IEDA to set limits to developer fees eligible for credits under the program.

## Historic Preservation

- » 2014 legislative changes to the HPCED program:
  - Capped awards at 25% of qualified rehabilitation expenses. Previous law allowed for all cost overruns to be included in the final award making it unable to determine the program's true liability
  - Excluded expenditures paid with other public funds (local/state/federal) unless specifically allowed under federal IRS Code
  - Established a 36 month completion date (from date rehabilitation starts)
  - Required recipients to report annually on project progress and to certify compliance with the program agreement and rules
  - Required recipients to submit a CPA examination of the project costs at project close out prior to receiving credits

## Workforce Housing

- » Provides transferrable income tax credits and sales tax refunds to housing developers who develop eligible housing projects for workers
- » In FY18, legislature passed a \$5 million “Small Cities” set-aside for small communities
  - Available to qualifying housing projects taking place in Iowa communities *except* those located in the 11 most populated counties in Iowa
  - Increases credit for developers in small communities from 10% to 20%
- » Market analysis currently not required for “Small Cities”
- » **Legislative Action Request**
  - Proposed legislation to convert the scoring of this program from first-come, first-serve to competitive to address extensive waitlist

## Brownfield and Grayfield Redevelopment

Investment tax credit program for acquisition, remediation, redevelopment

- » \$10 Million per fiscal year statewide
- » \$1 Million cap per project
- » 30 months from approval to complete project
- » Only costs incurred and paid after approval

Applications are accepted annually in July - August with a September 1 deadline.

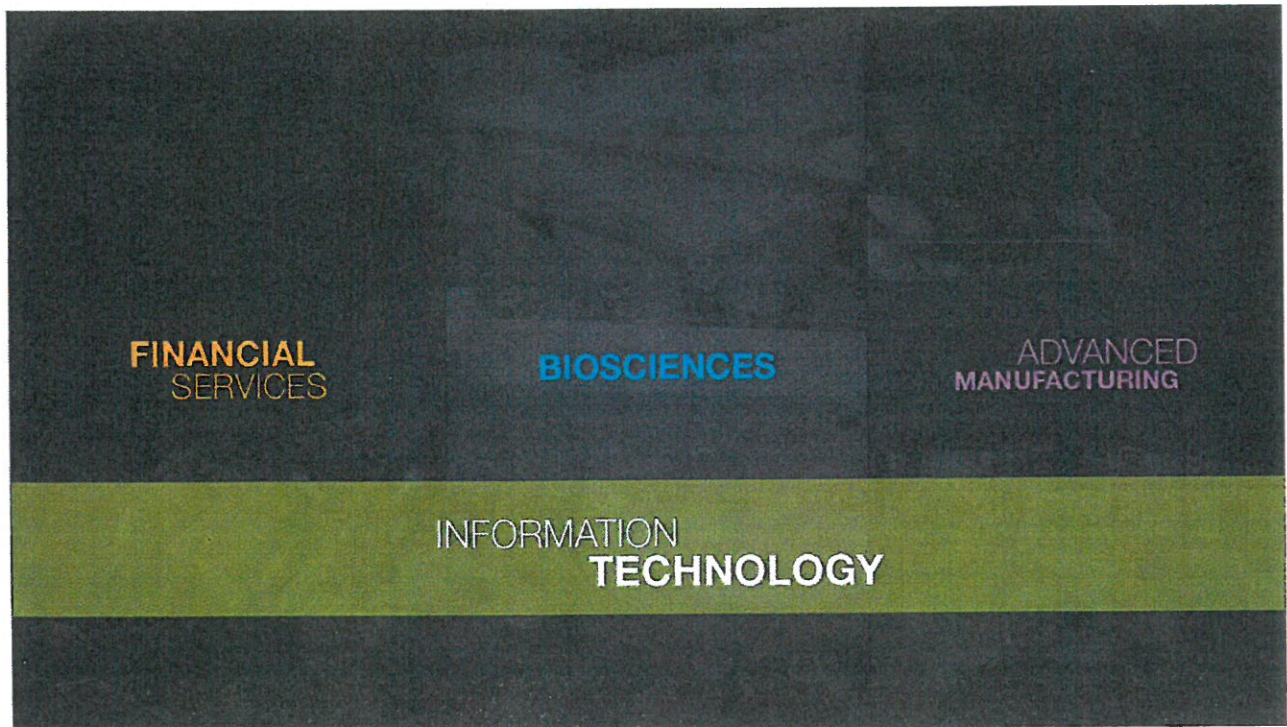
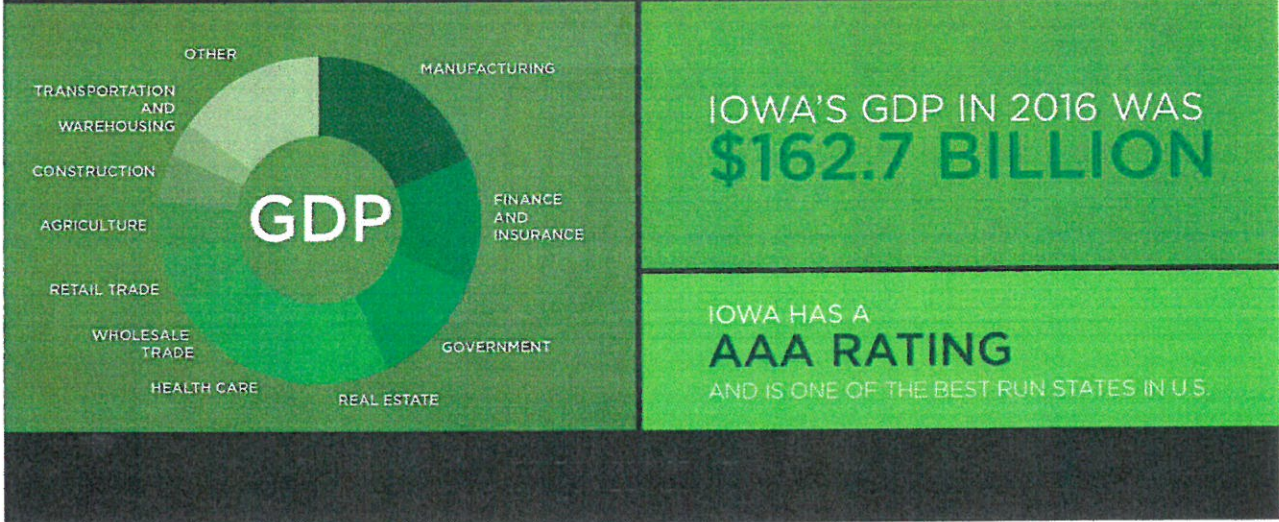
EVERY DOLLAR IN THE REDEVELOPMENT  
TAX CREDIT PROGRAM LEVERAGED

**\$14**

IN OWNER EQUITY INVESTMENT



# Iowa's Economy



## Purpose Informs Policy

- » New Wealth = Focused incentives:
  - Businesses competing in national or international markets
  - R&D sector
  - New Economy
- » Permanent jobs = Tax incentives with “strings”:
  - Performance-based
  - Tied to capital investment and job creation
  - Wages determine awards (jobs at or above 100% - 120% of average wages)
  - 5+ year job maintenance requirements
- » Return On Investment = Fiscal Impact Ratio (FIR) & REMI Model

## Incentive Measurement Tool – FIR

- » Quantifiable measure of the overall value of a proposed project to the state
- » Ratio calculated by dividing projected state revenues by total cost of incentives
- » The tool was created in 2003 by a team of tax experts, academics and economic development specialists, including:
  - Dan Otto, Iowa State University
  - David Plazak, Iowa State University
  - Randy Pilkington, University of Northern Iowa
  - Peter Fisher, University of Iowa
  - Alan Peters, University of Iowa
  - Mike Lipsman, Iowa Department of Revenue
  - Lane Palmer, Iowa Department of Economic Development
  - Harvey Siegelman, Former State Economist

## Incentive Measurement Tool – REMI

- » Continue to look at best practices for measuring value of incentives to the state's economy
- » Working with economists and tax experts at Dept. of Revenue to utilize a third-party economic impact measurement tool
- » REMI is a nationally recognized economic impact tool used to assess the impact of individual projects, legislation changes, tax revenue changes, and other economically based projects
- » REMI can measure how a project will impact employment, wages, income, and corporate and personal tax revenues for over 20 years into the future
- » Use of REMI would be in addition to the FIR
- » Also, we continue to work with Dept. of Revenue to more precisely define and track tax credits by components and fiscal year

## Research Activities Tax Credit

- » Iowa follows federal R&D requirements
  - Wages paid to an employee for performing or supporting a research activity conducted at an Iowa facility or for an employee in Iowa who directly supervises or directly supports research activities
  - Supplies including tangible property other than land, improvements to land and depreciable property
  - 6.5 percent of expenses related to contract research
- » Supplemental R&D component provided via IEDA's HQJ program
  - in addition to the 6.5 percent available through statute:
    - +10% if gross revenue < \$20,000,000
    - +3% if gross revenue > \$20,000,000
- » R&D firms have wages that are 20-25% higher than non-R&D firms. (Source: Harvard University)

## High Quality Jobs Program

- » The Program provides direct financial assistance and tax incentives to businesses that make capital investments and create jobs in the state
- » Tax incentives include:
  - Investment Tax Credit
  - Sales, Service, Use Tax Refund
  - Research Activities Credit
- » Created jobs must pay at least 100% of the qualifying wage threshold at the start and 120% of the qualifying wage threshold by project completion and through the maintenance period unless in a distressed area
- » Retained jobs must pay at least 120% of the qualifying wage threshold by project completion and through the maintenance period

## High Quality Jobs Program

- » Priority to projects with significant local economic impact
- » Cannot be a retail business or a business with a history of violations of the law
- » IEDA must consider the overall quality of the project before making the award
- » Must apply prior to the beginning of the project
- » Must provide a sufficient benefits package to all full-time employees, which includes at least one of the following:
  - Business pays 80% of medical premiums for single coverage plans. OR
  - Business pays 50% of medical premiums for family coverage plans. OR
  - Business pays for some level of medical and dental coverage and provides the monetary equivalent value through other employee benefits
  - Retirement benefits can be used to meet the monetary equivalent option on sufficient benefits
- » See HQJ chart included in packets for Schedule of Maximum Awards



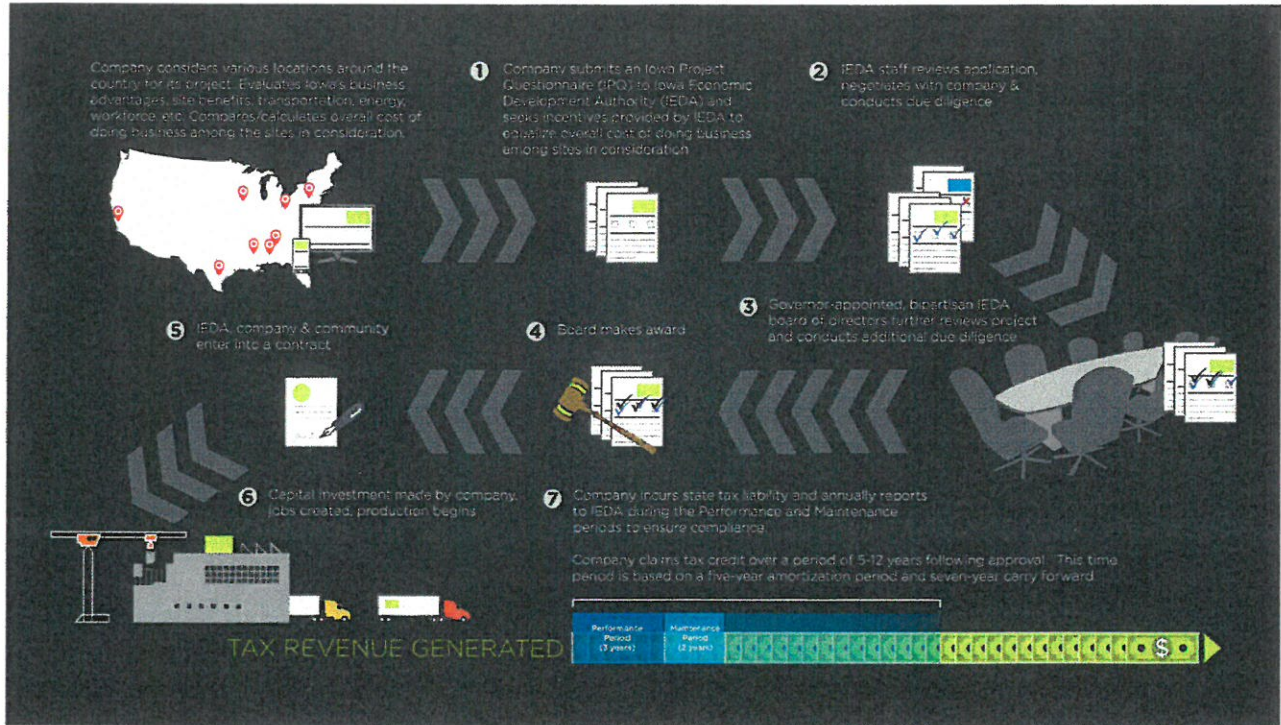
## HQJ - Schedule of Maximum Awards

AMOUNT OF QUALIFYING INVESTMENT	No Jobs Created <small>Maximum of \$50,000 Property Tax</small>	NUMBER OF JOBS CREATED OR RETAINED WITH A QUALIFYING WAGE INCLUDING SUFFICIENT EMPLOYEE BENEFITS EQUAL TO 120% OF THE COUNTY WAGE			
		1 - 5 Jobs	6 - 10 Jobs	11 - 15 Jobs	16+ Jobs
<b>Less than \$100,000</b>	Up to 1% ITC	Up to 2% ITC	Up to 3% ITC	Up to 4% ITC	Up to 5% ITC
<b>\$100,000 - \$499,999</b>	Up to 1% ITC Sales Tax Refund	Up to 2% ITC Sales Tax Refund	Up to 3% ITC Sales Tax Refund	Up to 4% ITC Sales Tax Refund	Up to 5% ITC Sales Tax Refund
<b>\$500,000 +</b>	Up to 1% ITC Sales Tax Refund Research Activities Tax Credits	Up to 2% ITC Sales Tax Refund Research Activities Tax Credits	Up to 3% ITC Sales Tax Refund Research Activities Tax Credits	Up to 4% ITC Sales Tax Refund Research Activities Tax Credits	Up to 5% ITC Sales Tax Refund Research Activities Tax Credits

AMOUNT OF QUALIFYING INVESTMENT	NUMBER OF JOBS CREATED OR RETAINED WITH A QUALIFYING WAGE INCLUDING SUFFICIENT EMPLOYEE BENEFITS EQUAL TO 120% OF THE COUNTY WAGE				
	31 - 40 Jobs	41 - 50 Jobs	61 - 80 Jobs	81 - 100 Jobs	101+ Jobs
<b>\$10,000,000 or more</b>	Up to 6% ITC Sales Tax Refund Research Activities Tax Credits Local Property Tax Exemption	Up to 7% ITC Sales Tax Refund Research Activities Tax Credits Local Property Tax Exemption	Up to 8% ITC Sales Tax Refund Research Activities Tax Credits Local Property Tax Exemption	Up to 9% ITC Sales Tax Refund Research Activities Tax Credits Local Property Tax Exemption	Up to 10% ITC Sales Tax Refund Research Activities Tax Credits Local Property Tax Exemption

## How a Tax Credit Works



## Best Practices for Tax Incentives

- » The Pew Center on the States - study titled "Avoiding Blank Checks: Creating Fiscally Sound State Tax Incentives" suggests best practices for states to consider
- » The study's recommendations include:
  - Ensure policy makers understand budget implications of proposed incentives
  - Manage the size of tax incentives by setting limits on annual price tag
- » **The PEW Charitable Trust named Iowa one of 10 states that excel in rigorously measuring the economic and fiscal impact of tax incentive programs. (May 2017)**

## Tax Credits Awarded vs. Tax Credits Claimed

- » Budgeting process and cap amount considers tax credits awarded, but the real cost of tax incentives is the amount claimed.

Fiscal Year	Authorized Cap	Total Awards Made	Credits Actually Claimed
2011	\$120,000,000	\$68,648,922	\$27,518,758
2012	\$120,000,000	\$119,409,708	\$22,029,471
2013	\$170,000,000	\$174,658,456	\$33,043,365
2014	\$170,000,000	\$155,779,638	\$27,308,816
2015	\$170,000,000	\$143,046,357	\$49,067,317
2016	\$170,000,000	\$108,927,134	\$61,504,413

- » Includes Enterprise Zone, Housing Enterprise Zone, HQJ, Brownfield/Grayfield, Innovation ITC, Innovation Qualified Business, Workforce Housing
- » Enterprise Zone program ended June 30, 2014



Since January 2011...

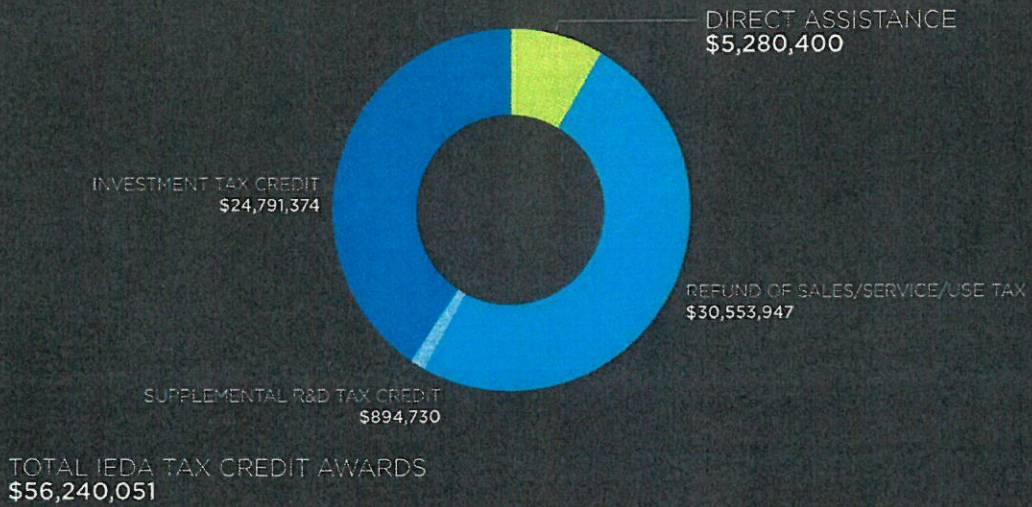
Total Capital Investment:

**\$15,580,906,958**



**58,640**  
DIRECT AND INDIRECT  
JOBS EXPECTED  
IN IOWA ECONOMY

## Awarded Projects - FY 2017



## Tax Credit Cap



The PEW Charitable Trust named Iowa one of 10 states that excel in rigorously measuring the economic and fiscal impact of tax incentive programs.

## Projects Awarded by Community Size

79



POPULATION  
1- 4,999

112



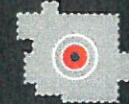
POPULATION  
5,000 - 24,999

125



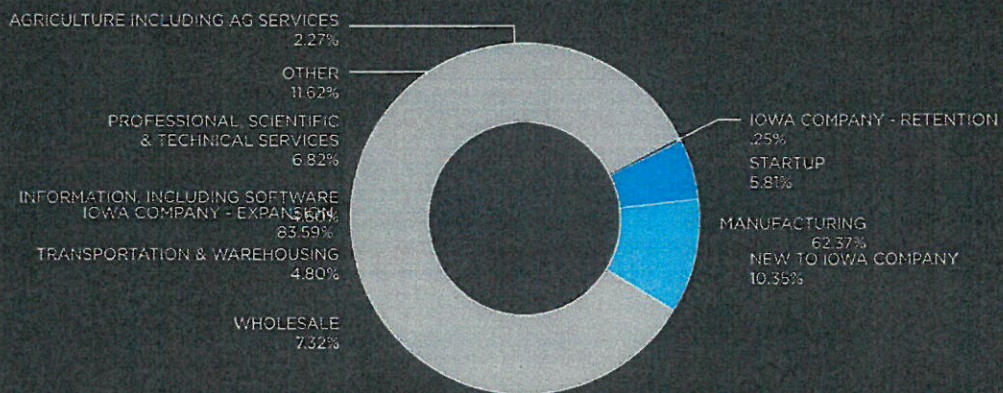
POPULATION  
25,000 - 74,999

82



POPULATION  
75,000 +

## Project Industry Sectors and Breakdown



## Case Studies

<b>Latham Pool Products, Inc.</b>	<b>NEW</b>
Location:	DeWitt
Award Date:	January 2017
Capital Investment:	\$2.1 million
Jobs:	5 new
Wage:	\$18.36 (*100% only)
Direct Assistance:	-
Tax Credits:	\$53,040

*\*Economically distressed area - a county that ranks among the bottom 33 of all Iowa counties, as measured by either the average monthly unemployment level for the most recent twelve-month period or the average annualized unemployment level for the most recent five-year period.*

## Case Studies

<b>General Mills</b>	<b>EXPANSION</b>
Location:	Cedar Rapids
Award Date:	January 2014
Capital Investment:	\$47 million
Jobs:	41 new
Wage:	\$22.93 (120%)
Direct Assistance:	\$200,000 (FL)
Tax Credits:	\$3.2 million

## Case Studies

<b>Jack Henry &amp; Associates</b>	<b>EXPANSION</b>
Location:	Cedar Falls
Award Date:	February 2016
Capital Investment:	\$580,000
Jobs:	50 new
Wage:	\$26.72 (*100% only)
Direct Assistance:	\$200,000 (FL)
Tax Credits:	\$309,895

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## Case Studies

<b>Buckeye Corrugated Inc.</b>	<b>EXPANSION</b>
Location:	Cedar Falls
Award Date:	October 2017
Capital Investment:	\$13.5 million
Jobs:	5 new
Wage:	\$17.29 (*100% only)
Direct Assistance:	-
Tax Credits:	\$252,146

*\*Economically distressed area - a county that ranks among the bottom 33 of all Iowa counties, as measured by either the average monthly unemployment level for the most recent twelve-month period or the average annualized unemployment level for the most recent five-year period.*



## Case Studies

<b>Precision Inc.</b>	<b>EXPANSION</b>
Location:	Algona
Award Date:	August 2016
Capital Investment:	\$4.7 million
Jobs:	32 new
Wage:	\$19.15 (120%)
Direct Assistance:	\$250,000 (FL/L)
Tax Credits:	\$139,801

## Case Studies

<b>American Packaging Corporation</b>	<b>EXPANSION</b>
Location:	Story City
Award Date:	July 2015
Capital Investment:	\$44 million
Jobs:	94 new
Wage:	\$23.21(120%)
Direct Assistance:	\$470,000 (FL)
Tax Credits:	\$727,503

## Case Studies

<b>United States Pipe and Foundry, LLC</b>	<b>EXPANSION</b>
Location:	Council Bluffs
Award Date:	January 2016
Capital Investment:	\$22.5 million
Jobs:	144 new
Wage:	\$17.24 (TJ 100% only)
Direct Assistance:	-
Tax Credits:	\$2.25 million

## Case Studies

<b>Plastipak Packaging</b>	<b>EXPANSION</b>
Location:	Ottumwa
Award Date:	February 2015
Capital Investment:	\$22 million
Jobs:	33 new
Wage:	\$16.67 (*100% only)
Direct Assistance:	-
Tax Credits:	\$848,835

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## Case Studies

<b>Templeton Rye Spirits, LLC</b>	<b>EXPANSION</b>
Location:	Templeton
Award Date:	October 2016
Capital Investment:	\$33.9 million
Jobs:	27 new
Wage:	\$19.79 (120%)
Direct Assistance:	-
Tax Credits:	\$1.9 million

## Case Studies

<b>TPI Iowa, LLC</b>	<b>NEW LOCATION</b>
Location:	Newton
Award Date:	November 2017
Capital Investment:	\$6 million
Jobs:	351 new
Wage:	\$18.12 (*100% only)
Direct Assistance:	\$1 million (FL/L)
Tax Credits:	\$613,000

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## Case Studies

<b>Lewis Machine &amp; Tool Company</b>	<b>NEW</b>
Location:	Eldridge
Award Date:	May 2017
Capital Investment:	\$7.3 million
Jobs:	178 new
Wage:	\$18.74 (*100% only)
Direct Assistance:	\$250,000 (FL/L)
Tax Credits:	\$801,955

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## Case Studies

<b>East Penn Manufacturing Company</b>	<b>EXPANSION</b>
Location:	Oelwein
Award Date:	August 2015
Capital Investment:	\$64 million
Jobs:	350 new
Wage:	\$13.55 (*100% only)
Direct Assistance:	\$1.75 million (FL/L)
Tax Credits:	\$3 million

## Case Studies

### Silgan Containers Manufacturing Corp.

### NEW LOCATION

Location:	Burlington
Award Date:	February 2015
Capital Investment:	\$121.4 million
Jobs:	120 new
Wage:	\$14.73 (*100% only) \$17.54 (TJ: 110 of 120 must meet wage)
Direct Assistance:	\$550,000 (FL)
Tax Credits:	\$3.75 million, \$1.7 million (TJ)

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## Case Studies

### Tyson Fresh Meats

### EXPANSION

Location:	Waterloo
Award Date:	September 2017
Capital Investment:	\$28 million
Jobs:	245 new
Wage:	\$17.29 (*100% only)
Direct Assistance:	-
Tax Credits:	\$2.39 million

*\*Economically distressed area - a county that ranks among the bottom 33 of all Iowa counties, as measured by either the average monthly unemployment level for the most recent twelve-month period or the average annualized unemployment level for the most recent five-year period.*

## Case Studies

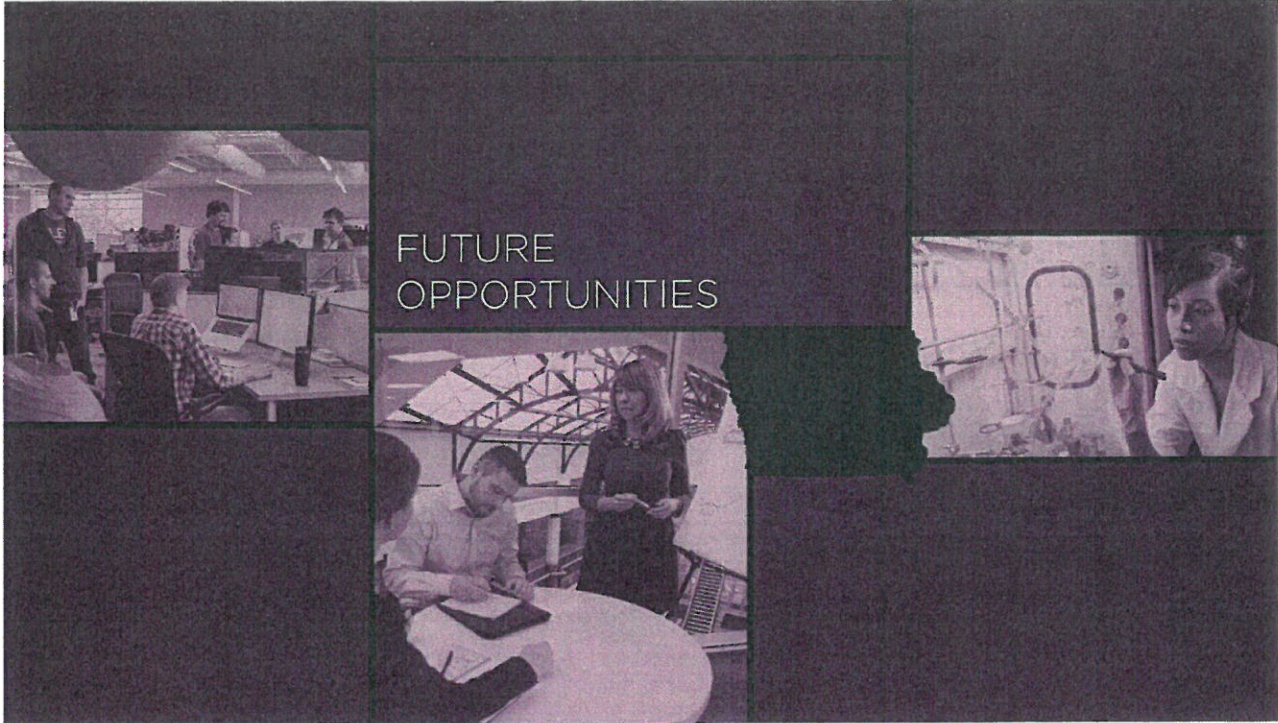
3M	EXPANSION
Location:	Knoxville
Award Date:	January 2018
Capital Investment:	\$32 million
Jobs:	30 new, 21 retained
Wage:	\$20.76 (120%)
Direct Assistance:	\$220,000 (FL)
Tax Credits:	\$2.6 million

## Case Studies

Polaris*	EXPANSION	Liberty Diversified International NEW TO IA
Location:	Milford	Milford
Award Date:	May 2014	December 2017
Capital Investment:	\$10 million	\$14.9 million
Jobs:	150	100 new
Wage:	\$15.21	\$16.83 (**100% only)
Direct Assistance:	\$300,000 (FL)	\$500,000 (FL/L)
Tax Credits:	\$706,000	\$15,000

\* December 2017 - Closure of plant , full repayment/relinquishment of award

\*\***Economically distressed area** - a county that ranks among the bottom 33 of all Iowa counties, as measured by either the average monthly unemployment level for the most recent twelve-month period or the average annualized unemployment level for the most recent five-year period.



## Tax Reform


- » The Tax Foundation ranked Iowa 40<sup>th</sup> overall on its 2018 State Business Tax Climate Index
- » Iowa's current corporate tax structure consists of four brackets and a top rate of 12%
  - Iowa ranks 48<sup>th</sup> for Corporate Tax climate
- » Iowa's individual income tax has a nine bracket graduated-rate structure. The top marginal rate is 8.98%
  - Iowa ranks 33<sup>rd</sup> for Individual Income Tax climate
- » The 2015 Battelle Report recommended that Iowa address its non-competitive tax environment
  - Reducing the complexity of the system
  - Simplifying the structure and rates
  - Lower corporate rates would allow for a reduction in HQJP credits, which are necessary to offset uncompetitive tax environment


## Governor's Task Force on Tax Incentives Review

- » Bipartisan task force focused on analyzing every state tax credit
- » Recommendations before the start of the 2019 legislative session



[www.iowaeconomicdevelopment.com](http://www.iowaeconomicdevelopment.com)

 IowaEconomicDevelopment

 BusinessIowa



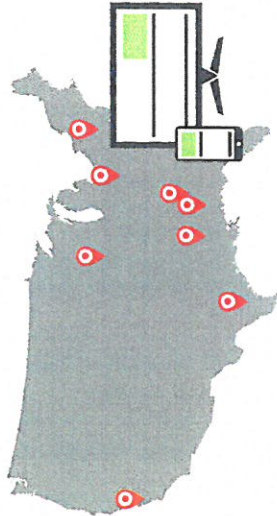
# HOW A TAX CREDIT WORKS



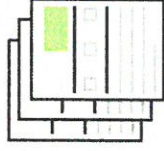
## UNDER THE IOWA ECONOMIC DEVELOPMENT AUTHORITY'S HIGH QUALITY JOBS PROGRAM

businessfinance@iowaeda.com | 515.348.6200  
iowaeconomicdevelopment.com

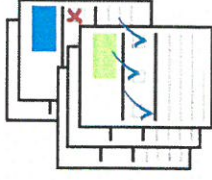
Company considers various locations around the country for its project. Evaluates Iowa's business advantages, site benefits, transportation, energy, workforce, etc. Compares/calculates overall cost of doing business among the sites in consideration.



Company submits an Iowa Project Questionnaire (IPQ) to Iowa Economic Development Authority (IEDA) and seeks incentives provided by IEDA to equalize overall cost of doing business among sites in consideration



IEDA staff reviews application, negotiates with company & conducts due diligence



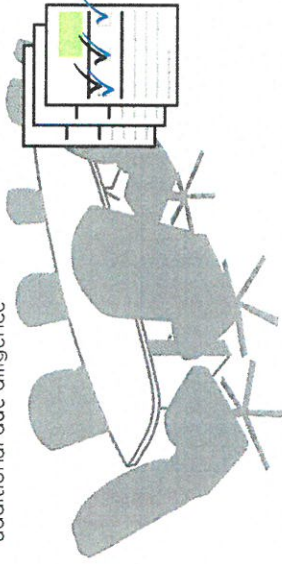
IEDA, company & community enter into a contract



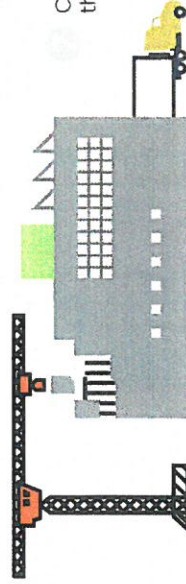
Board makes award



Governor-appointed, bipartisan IEDA board of directors further reviews project and conducts additional due diligence



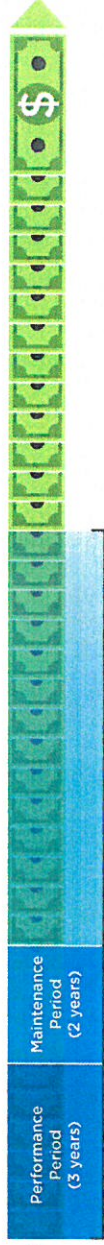
Capital investment made by company, jobs created, production begins



Company incurs state tax liability and annually reports to IEDA during the Performance and Maintenance periods to ensure compliance.



## TAX REVENUE GENERATED



Company claims tax credit over a period of 5-12 years following approval. This time period is based on a five-year amortization period and seven-year carry forward.

The PEW Charitable Trust named Iowa one of 10 states that excel in rigorously measuring the economic and fiscal impact of tax incentive programs.



# Iowa Historic Tax Credits

The Iowa State Historic Preservation and Cultural & Entertainment District (HPCED) Tax Credit Program provides a state income tax credit for the rehabilitation of historic buildings. It ensures that character-defining features and spaces of buildings are retained and helps revitalize surrounding neighborhoods. The program provides an income tax credit of up to 25% of Qualified Rehabilitation Expenditures (QREs).



# 35

## States with HTC

Alabama, Arkansas, Colorado, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Maryland, Minnesota, Missouri, Mississippi, Montana, Nebraska, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin

# 16

## States Have No Annual Cap

Louisiana, Maine, Maryland, Minnesota, Montana, New York, North Carolina, North Dakota, Oklahoma, South Carolina, Texas, Utah, Virginia, West Virginia, Wisconsin

# 15

## Match Iowa's 25%

Alabama, Arkansas, Colorado, Connecticut, Georgia, Illinois, Kansas, Maine, Missouri, Mississippi, North Dakota, Ohio, Pennsylvania, Texas, Virginia

The report extrapolates across a universe of 117 commercial projects based on data sourced from 26 materially characteristic projects which received Iowa State Historic Tax Credit Part III Historic certification from January 2011 to December 2013.

Baker Tilly utilized the base data from the 26 sample projects to develop an extrapolated analysis and account for likely impacts on employment, economic output, taxes, and assessed property values across the universe of 117 commercial classified projects. Data was correlated by weighting the sampled projects proportionately by geography, project type and project QRE size. The 26 projects that were surveyed in depth comprised 56.6% of the \$411.9 million of QREs (\$103 million in Iowa State Historic Tax Credits) under analysis and were sorted into four categories; Apartment (APT), Commercial (COM), Commercial-Hotel (COM-H) and Mixed-Use (MIX).

Based on this analysis the following high level data points are notable:

- **The 117 project universe is anticipated to yield a 5.04:1 return on investment by year 3, ramping upward to 19.7:1 in year 10, and to 32.1:1 by year 15, based on direct economic outputs alone.**
- **Over 6,000 Construction jobs and roughly 4,600 permanent full time positions are projected to have been generated by these investments.**
- **An increase in assessed valuations of over 284% for these properties.**

*During this same period, 152 project sites received Iowa State HTCs and had more than \$447.8 million in QREs. Included in this total are 35 projects that were agricultural, non-profit/non-revenue-producing, or were single family residential in nature which were excluded from this analysis.*

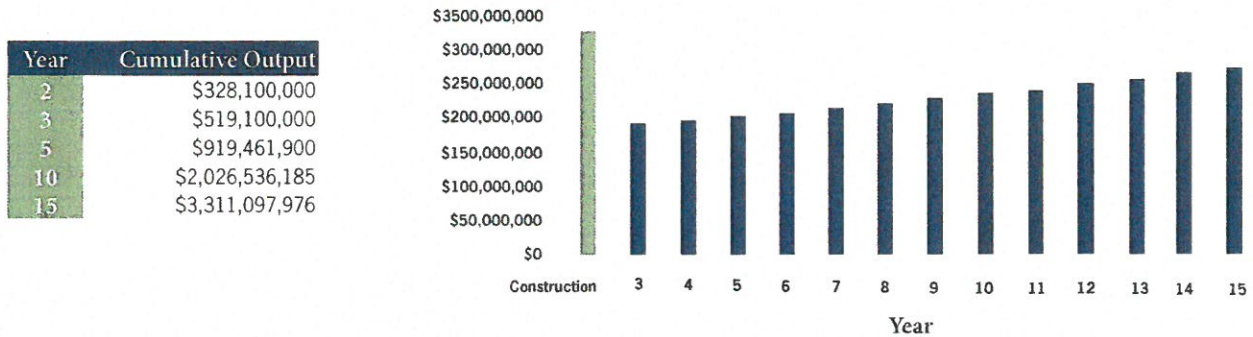


# Return on Investment

In looking at the overall return on investment, these projects provide economic output returns during construction and through their placed in service dates, prior to claiming the Iowa HTC. Looking at the first anticipated stabilized year, or year 3 it is projected that the projects will yield \$5.04:\$1.00. This yield increases to \$19.68:\$1.00 by year 10, and ramps upward to \$32.1:\$1.00 by year 15. This return is calculated on the economic output projections and is therefore fairly conservative.

A projected increase in direct operational wages of \$191 million should trend upward over time, and is likely to increase ROI to the state of Iowa and local communities, as will the inclusion of property tax values – making the projected return on investment calculation provided significantly conservative.

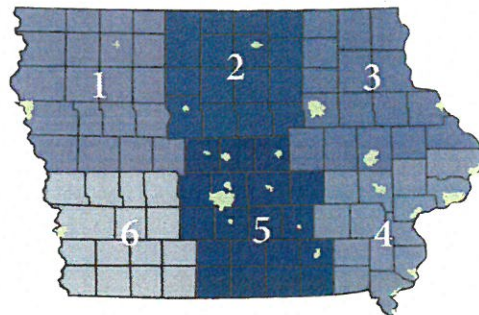
**Direct Economic Output ROI of Iowa HTC Projects**



Overall, the 117 Iowa HTC projects had more than \$411.9 million in eligible Iowa QREs with anticipated tax credits claimed post construction of up to \$103 million. These same projects yielded more than \$8.2 million in state and local construction taxes, more than \$18.4 million annually in direct state and local taxes from operations, and they are estimated to have created more than \$86.8 million in new assessed property value, or an increase of 284%.

**Assessed Value Increase by Project Location**

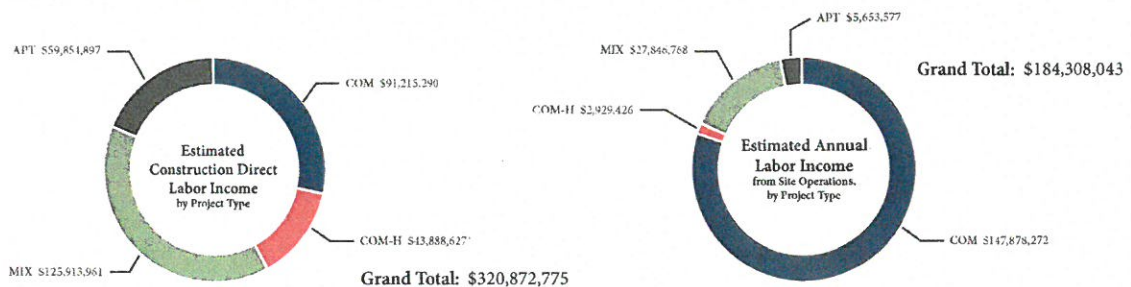
Zone	Assessed Value Increase
Zone 1	\$7,787,103
Zone 2	\$3,154,022
Zone 3	\$35,704,503
Zone 4	\$18,838,519
Zone 5	\$15,245,687
Zone 6	\$4,828,598
<b>TOTAL</b>	<b>\$ 86,885,629</b>



Additionally, more than 10,700 jobs are estimated to have been created through construction and operations, and more than \$559 million in economic output is estimated to have been created from project construction periods and the first year of annual operations.

**Summary of Estimate Total Impacts of Iowa HTC Projects (Direct, Indirect, Induced), by Project Type**

Project Type	Construction			Operations		
	Economic Output Total	Total Jobs	Total TPI	Economic Output Total	Total Jobs	Total TPI
APT	\$53,471,606	745	\$1,219,241	\$8,073,141	117	\$522,509
COM	\$130,777,927	2,222	\$4,392,005	\$172,944,535	3,194	\$16,463,144
COM-H	\$46,510,697	764	\$1,427,238	\$1,724,154	117	\$665,416
MIX	\$118,615,744	2,340	\$3,943,063	\$27,097,445	1,215	\$4,220,573
<b>Grand Total</b>	<b>\$349,375,973</b>	<b>6,071</b>	<b>\$10,981,548</b>	<b>\$209,839,274</b>	<b>4,643</b>	<b>\$21,871,642</b>



## WORKING WITH BUSINESS TO LOCATE, MODERNIZE AND EXPAND

As businesses change and grow, flexible programs are needed to help companies meet the demand of providing valued-added goods on a global scale. The Iowa Economic Development Authority (IEDA) offers assistance to companies to promote growth and profitability and create quality job opportunities for Iowans.

The High Quality Jobs program provides qualifying businesses tax credits and direct financial assistance to off-set some of the costs incurred to locate, expand or modernize an Iowa facility. To qualify for this flexible assistance package that includes loans, forgivable loans, tax credits, exemptions and/or refunds, eligible businesses must meet certain wage threshold requirements. Visit [iowaeconomicdevelopment.com/wagerequirements](http://iowaeconomicdevelopment.com/wagerequirements) to view the requirements for wage thresholds.

## ELIGIBILITY REQUIREMENTS

- Actual award amounts will be based on the business' level of need, the quality of the jobs, the percentage of created or retained jobs defined as high-quality and the economic impact of the project.
- Created jobs must pay at least 100 percent of the qualifying wage threshold at the start of the project and 120 percent of the qualifying wage threshold by project completion and throughout the project maintenance period.
- Retained jobs must pay at least 120 percent of the qualifying wage threshold throughout the project completion and maintenance periods.
- A business located in an economically distressed area must pay at least the 100 percent wage threshold throughout the applicable contract period.
- Retail businesses are not eligible to participate.

- The business must provide a sufficient benefits package to all full-time employees that includes coverage of a percentage of premiums for medical insurance plans or offering the monetary equivalent value through other employee benefits.
- Specific deductible and premium coverage requirements are based on the companies' U.S. employment.

## POTENTIAL TAX INCENTIVES

The following tax incentives may be available:

- A local property tax exemption of the value added to the property may be available.
- An investment tax credit equal to a percentage of the qualifying investment, amortized over five years. This tax credit is earned when the corresponding asset is placed in service and can be carried forward for up to seven additional years or until depleted, whichever occurs first.
- A refund of state sales, service or use taxes paid to contractors or subcontractors during construction.
- For distribution center projects, a refund of sales and use taxes paid on racks, shelving and conveyor equipment.
- The state's refundable research activities credit may be increased while the business participates in the program.

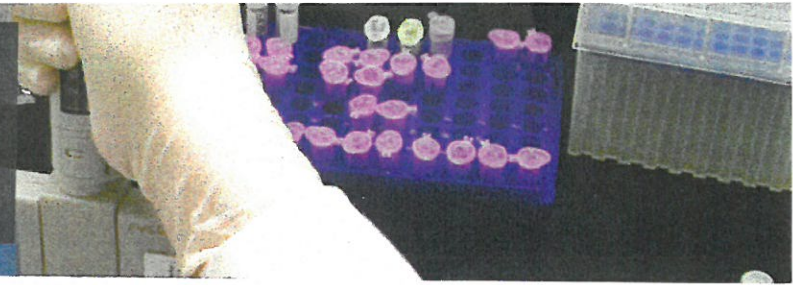
A maximum tax incentive award is available to a business based on qualifying jobs, wages and investment (see schedule of maximum tax incentives on reverse side).

**IOWA ECONOMIC DEVELOPMENT AUTHORITY**

200 East Grand Avenue  
Des Moines, Iowa 50309 USA

International: +1.515.725.3100

Domestic: 1.800.245.4692



**SCHEDULE OF MAXIMUM TAX INCENTIVE AWARDS AVAILABLE TO A BUSINESS BASED ON QUALIFYING JOBS, WAGES AND INVESTMENT**

AMOUNT OF QUALIFYING INVESTMENT	No Jobs Created Modernization or Retention Projects Only	NUMBER OF JOBS CREATED OR RETAINED WITH A QUALIFYING WAGE INCLUDING SUFFICIENT EMPLOYEE BENEFITS EQUAL TO 120% OF THE COUNTY WAGE			
		1 - 5 Jobs	6 - 10 Jobs	11 - 15 Jobs	16+ Jobs
<b>Less than \$100,000</b>	Up to 1% ITC	Up to 2% ITC	Up to 3% ITC	Up to 4% ITC	Up to 5% ITC
<b>\$100,000 - \$499,999</b>	Up to 1% ITC Sales Tax Refund	Up to 2% ITC Sales Tax Refund	Up to 3% ITC Sales Tax Refund	Up to 4% ITC Sales Tax Refund	Up to 5% ITC Sales Tax Refund
<b>\$500,000 +</b>	Up to 1% ITC Sales Tax Refund Research Activities Tax Credits	Up to 2% ITC Sales Tax Refund Research Activities Tax Credits	Up to 3% ITC Sales Tax Refund Research Activities Tax Credits	Up to 4% ITC Sales Tax Refund Research Activities Tax Credits	Up to 5% ITC Sales Tax Refund Research Activities Tax Credits
AMOUNT OF QUALIFYING INVESTMENT	NUMBER OF JOBS CREATED OR RETAINED WITH A QUALIFYING WAGE INCLUDING SUFFICIENT EMPLOYEE BENEFITS EQUAL TO 120% OF THE COUNTY WAGE				
	31 - 40 Jobs	41 - 60 Jobs	61 - 80 Jobs	81 - 100 Jobs	101+ Jobs
<b>\$10,000,000 or more</b>	Up to 6% ITC Sales Tax Refund Research Activities Tax Credits Local Property Tax Exemption	Up to 7% ITC Sales Tax Refund Research Activities Tax Credits Local Property Tax Exemption	Up to 8% ITC Sales Tax Refund Research Activities Tax Credits Local Property Tax Exemption	Up to 9% ITC Sales Tax Refund Research Activities Tax Credits Local Property Tax Exemption	Up to 10% ITC Sales Tax Refund Research Activities Tax Credits Local Property Tax Exemption

"Amount of Qualifying Investment" means a capital investment in real property including the purchase price of land, existing buildings and structures; site preparation; improvements to real property; building construction and long-term lease costs. It also includes capital investment in depreciable assets. "ITC" means Investment Tax Credit or Insurance Premium Tax Credit. "Sales Tax Refund" means Sales and Use Tax Refunds or Refundable Corporate Income Tax Credit equal to Sales Taxes Paid by Developer.

Actual award amounts will be based on the business' level of need; the quality of jobs; the percentage of jobs defined as high-quality and the economic impact of the project.

**HOW TO APPLY**

IEDA staff welcomes the opportunity to work with companies to determine the most beneficial programs and resources to support each project. Please access the project questionnaire at [iowaeconomicdevelopment.com/hqj](http://iowaeconomicdevelopment.com/hqj) to begin.

The High Quality Jobs program can be used in combination with other state programs.

**LEARN MORE**

Iowa is a right-to-work state with a superior business climate that offers flexible assistance for qualifying business projects. Its low cost of doing business, pro-business government, central North American geographic location and world class workforce and education systems make Iowa a great place to do business.

Contact the IEDA at any time with questions or to discuss business expansion plans. IEDA staff will guide your business through the qualification process.

For more information on this program, contact the Iowa Economic Development Authority (IEDA)  
[businessfinance@iowaeda.com](mailto:businessfinance@iowaeda.com)      +1.515.725.3100      [iowaeconomicdevelopment.com](http://iowaeconomicdevelopment.com)

# LABORSHED WAGE REQUIREMENTS



Laborshed Number	Laborshed Name	County	FY18 100% Wage	FY18 120% Wage	County Notes
1	Adel	Dallas/Madison	\$23.64	\$28.37	Madison only 100%
2	Albia	Appanoose/Marion/Monroe/Wapello	\$16.23	\$19.48	Appanoose/Monroe/Wapello only 100%
3	Algona	Algona/Hancock/Humboldt/Kossuth/Palo Alto	\$16.92	\$20.30	
4	Allison	Butler	\$16.37	N/A	
5	Amanas	Iowa	\$20.25	\$24.30	
6	Ames	Hamilton/Story	\$20.85	\$25.02	Hamilton only 100%
7	Ankeny	Story/Polk	\$24.27	\$29.12	
8	Atlantic	Cass/Montgomery	\$16.30	\$19.56	
9	Audubon	Audubon/Carroll/Shelby	\$16.76	\$20.11	
10	Avoca	Pottawattamie/Shelby	\$17.45	\$20.94	
11	Bedford	Taylor	\$14.43	\$17.32	
12	Belle Plaine	Benton/Iowa/Poweshiek/Tama	\$17.50	\$21.00	Tama only 100%
13	Belmond	Cerro Gordo/Franklin/Hancock/Wright	\$16.18	\$19.42	Cerro Gordo/Wright only 100%
14	Bloomfield	Davis/Van Buren	\$15.06	N/A	
15	Boone	Boone/Hamilton	\$18.64	\$22.37	Hamilton only 100%
16	Britt	Hancock	\$18.12	\$21.74	
17	Burlington	Des Moines	\$16.84	N/A	
18	Cartisle	Marion/Warren	\$23.87	\$28.64	
19	Carroll	Carroll/Crawford/Sac	\$16.59	\$19.91	Crawford only 100%
20	Cedar Rapids	Benton/Linn	\$20.76	\$24.91	
21	Centerville	Appanoose	\$14.65	N/A	
22	Chariton	Lucas/Warren	\$15.89	\$19.07	
23	Charles City	Chickasaw/Floyd	\$16.85	\$20.22	Chickasaw only 100%
24	Cherokee	Cherokee/Clay/O'Brien/Woodbury	\$16.26	\$19.51	Clay only 100%
25	Clarinda	Montgomery/Page/Taylor	\$15.05	\$18.06	Page only 100%
26	Clarion	Humboldt/Wright	\$16.83	\$20.20	Wright only 100%
27	Clinton	Clinton/Jackson	\$15.99	N/A	
28	Columbus Junction	Henry/Louisa/Muscatine/Washington	\$15.67	\$18.80	Henry/Louisa/Muscatine only 100%
29	Corning	Adams/Taylor	\$14.78	\$17.74	
30	Corydon	Wayne	\$15.14	N/A	
31	Council Bluffs	Pottawattamie	\$18.94	\$22.73	
32	Cresco	Howard/Winneshiek	\$16.61	\$19.93	
33	Creston	Union	\$16.45	\$19.74	
34	Decorah	Winneshiek	\$15.54	\$18.65	

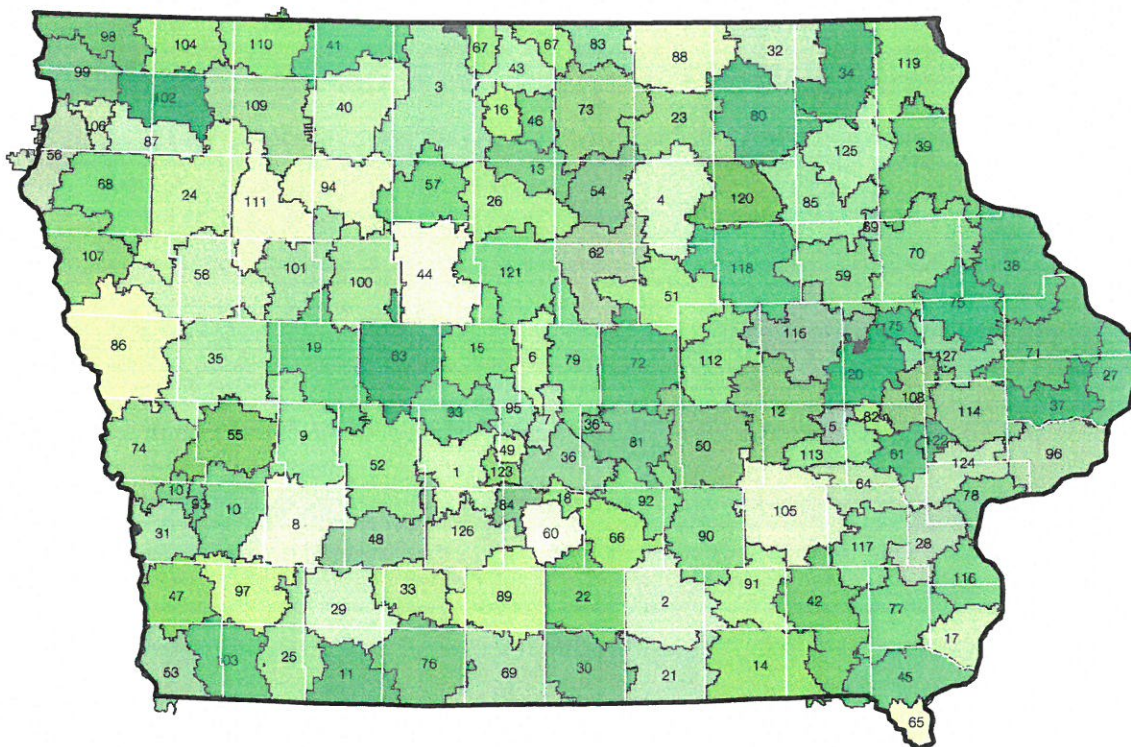
Laborshed Number	Laborshed Name	County	FY18 100% Wage	FY18 120% Wage	County Notes
35	Denison	Crawford/Harrison/Monona	\$16.54	\$19.85	Crawford/Monona only 100%
36	Des Moines/Altoona/ Pleasant Hill	Jasper/Polk/Warren	\$24.27	\$29.12	Jasper only 100%
37	DeWitt	Clinton/Scott	\$18.39	N/A	
38	Dubuque	Clayton/Dubuque/Jackson	\$18.64	\$22.37	Clayton/Jackson only 100%
39	Elkader	Clayton	\$14.74	N/A	
40	Emmetsburg	Emmet/Kossuth/Palo Alto	\$17.13	\$20.56	Emmet only 100%
41	Estherville	Dickinson/Emmet	\$16.29	N/A	
42	Fairfield	Jefferson/Keokuk/Van Buren	\$16.27	\$19.52	Keokuk/Van Buren only 100%
43	Forest City	Hancock/Winnebago	\$17.50	\$21.00	
44	Fort Dodge	Webster	\$17.56	N/A	
45	Fort Madison	Lee/Van Buren	\$16.92	N/A	
46	Garner	Hancock	\$17.20	\$20.64	
47	Glenwood	Fremont/Mills	\$19.01	\$22.81	
48	Greenfield	Adair/Cass/Dallas	\$17.23	\$20.68	
49	Grimes/Johnston/ Urbandale	Dallas/Polk	\$24.27	\$29.12	
50	Grinnell	Jasper/Marshall/Poweshiek	\$17.56	\$21.07	Jasper/Marshall only 100%
51	Grundy Center	Grundy/Hardin/Tama	\$17.61	\$21.13	Hardin/Tama only 100%
52	Guthrie Center	Adair/Guthrie	\$17.56	\$21.07	
53	Hamburg	Fremont	\$15.00	\$18.00	
54	Hampton	Cerro Gordo/Franklin	\$16.69	\$20.03	Cerro Gordo only 100%
55	Harlan	Harrison/Shelby	\$17.16	\$20.59	
56	Hawarden	Plymouth/Sioux	\$14.73	\$17.68	
57	Humboldt	Humboldt	\$17.74	\$21.29	
58	Ida Grove	Ida/Sac/Woodbury	\$16.92	\$20.30	
59	Independence	Buchanan/Linn	\$17.26	\$20.71	Buchanan only 100%
60	Indianola	Madison/Warren	\$19.34	\$23.21	Madison only 100%
61	Iowa City/Coralville	Johnson	\$19.82	\$23.78	
62	Iowa Falls	Franklin/Hardin	\$16.27	\$19.52	Hardin only 100%
63	Jefferson	Booth/Calhoun/Greene	\$17.44	\$20.93	Calhoun only 100%
64	Kalona	Iowa/Washington	\$18.27	\$21.92	
65	Keokuk	Lee	\$15.88	N/A	
66	Knoxville	Marion	\$17.30	\$20.76	
67	Lake Mills	Winnebago/Worth	\$15.32	\$18.38	
68	Le Mars	Plymouth	\$16.50	\$19.80	
69	Leon	Buchanan/Decatur/Wayne	\$15.14	\$18.17	Buchanan only 100%
70	Manchester	Delaware/Linn	\$15.87	\$19.04	
71	Maquoketa	Clinton/Jackson	\$17.06	N/A	
72	Marshalltown	Hardin/Marshall	\$18.39	N/A	

Laborshed Number	Laborshed Name	County	FY18 100% Wage	FY18 120% Wage	County Notes
73	Mason City/Clear Lake	Cerro Gordo/Floyd/Worth	\$17.22	\$20.66	Cerro Gordo/Floyd only 100%
74	Missouri Valley	Harrison/Pottawattamie	\$17.18	\$20.62	
75	Monticello	Dubuque/Jones/Linn	\$16.96	\$20.35	Jones only 100%
76	Mount Ayr	Ringgold/Taylor/Union	\$15.69	\$18.83	
77	Mount Pleasant	Des Moines/Henry/Jefferson/Lee	\$16.56	\$19.87	Des Moines/Henry/Lee only 100%
78	Muscatine	Muscatine	\$17.74	N/A	
79	Nevada	Hardin/Story	\$20.17	\$24.20	Hardin only 100%
80	New Hampton	Bremer/Chickasaw/Fayette/Howard	\$16.60	\$19.92	Chickasaw/Fayette only 100%
81	Newton	Jasper	\$18.12	N/A	
82	North Liberty	Johnson	\$20.27	\$24.32	
83	Northwood	Mitchell/Worth	\$16.04	\$19.25	
84	Norwalk	Warren	\$20.32	\$24.38	
85	Oelwein	Bremer/Buchanan/Fayette	\$15.54	\$18.65	Buchanan/Fayette only 100%
86	Onawa	Monona/Woodbury	\$15.09	\$18.11	Monona only 100%
87	Orange City/Alton	O'Brien/Sioux	\$16.54	\$19.85	
88	Osage	Mitchell	\$16.82	\$20.18	
89	Osceola	Clarke/Decatur/Union/Madison/ Warren	\$16.80	\$20.16	Clarke/Madison only 100%
90	Oskaloosa	Mahaska/Wapello	\$16.82	\$20.18	Wapello only 100%
91	Ottumwa	Keokuk/Wapello	\$16.46	N/A	
92	Pella	Jasper/Marion	\$17.40	\$20.88	Jasper only 100%
93	Perry	Dallas/Greene/Guthrie/ Pottawattamie	\$20.71	\$24.85	
94	Pocahontas	Buena Vista/Pocahontas	\$16.36	\$19.63	
95	Polk City	Boone/Dallas/Polk/Story	\$24.27	\$29.12	
96	Quad Cities	Cedar/Muscatine/Scott	\$18.30	\$21.96	Muscatine/Scott only 100%
97	Red Oak	Mills/Montgomery/Pottawattamie	\$15.31	\$18.37	
98	Rock Rapids	Lyon	\$16.74	\$20.09	
99	Rock Valley	Lyon/Sioux	\$16.69	\$20.03	
100	Rockwell City	Calhoun	\$17.00	N/A	
101	Sac City	Pocahontas/Sac	\$17.02	\$20.42	
102	Sheldon	O'Brien/Sioux	\$16.48	\$19.78	
103	Shenandoah	Fremont/Page	\$16.16	\$19.39	Page only 100%
104	Sibley	Lyon/Osceola	\$16.75	\$20.10	
105	Sigourney	Iowa/Keokuk/Poweshiek	\$16.90	\$20.28	Keokuk only 100%
106	Sioux Center	Sioux	\$16.54	\$19.85	
107	Sioux City	Plymouth/Woodbury	\$17.24	\$20.69	
108	Solon	Johnson/Jones/Linn	\$19.11	\$22.93	Jones only 100%
109	Spencer	Buena Vista/Clay/O'Brien	\$17.10	\$20.52	Clay only 100%



Laborshed Number	Laborshed Name	County	FY18 100% Wage	FY18 120% Wage	County Notes
110	Spirit Lake	Dickinson/Osceola	\$16.83	\$20.20	Dickinson only 100%
111	Storm Lake	Buena Vista/Pocahontas/Sac	\$16.23	\$19.48	
112	Tama/Toledo/Montour	Tama	\$18.08	N/A	
113	Tiffin	Iowa/Johnson	\$18.59	\$22.31	
114	Tipton	Cedar/Scott	\$16.44	\$19.73	Scott only 100%
115	Vinton	Benton/Buchanan/Linn/Tama	\$17.22	\$20.66	Buchanan/Tama only 100%
116	Wapello	Des Moines/Louisa	\$17.29	N/A	
117	Washington	Henry/Washington	\$16.78	\$20.14	Henry only 100%
118	Waterloo/Cedar Falls	Black Hawk/Butler/Grundy/Tama	\$17.29	\$20.75	Black Hawk/Butler/Tama only 100%
119	Waukon	Allamakee	\$15.59	N/A	
120	Waverly	Bremer/Butler	\$17.60	\$21.12	Butler only 100%
121	Webster City	Hamilton/Webster/Wright	\$17.47	N/A	
122	West Branch	Cedar/Johnson	\$19.33	\$23.20	
123	West Des Moines/Waukee	Dallas/Madison/Polk/Warren	\$24.27	\$29.12	Madison only 100%
124	West Liberty	Johnson/Muscatine	\$18.34	\$22.01	Muscatine only 100%
125	West Union	Fayette/Winneshiek	\$15.38	\$18.46	Fayette only 100%
126	Winterset	Madison/Union	\$18.50	\$22.20	Madison only 100%
127	Anamosa	Jones/Linn	\$19.28	\$23.14	Jones only 100%

### IOWA WORKFORCE DEVELOPMENT LABORSHED AREAS



**REMI Analysis Iowa Fertilizer Project  
02/20/2013**

**Assumptions:**

- The construction cost is evenly distributed between 2013 and mid-2015, which means \$160 million in 2013, \$160 million in 2014, and \$80 million in 2015.
- The manufacturing equipment cost consists of \$50 million of computer equipment cost spent in 2015, \$50 million of office equipment cost spent in 2015, and \$700 million of special manufacturing equipment cost evenly spent between 2014 (\$350 million) and 2015 (\$350 million).
- The infrastructure maintenance cost is \$10 million every year from 2015 to 2035.
- There are 80 jobs in the plant in 2015, 120 jobs in 2016, and 165 jobs in 2017 and after.
- The plant output is 0.85 million tons of fertilizer in 2015 and 1.75 million tons of fertilizer in 2016 and after.
- Based on historical Nitrogen fertilizer prices released by the USDA, the average Nitrogen fertilizer price in 2012 was \$570 per ton. The average annual growth rate of the Nitrogen fertilizer price was 2.9% between 1960 and 2012.
- The future annual growth rate of the Nitrogen fertilizer price is 2.9%. Thus, the values of projected output of the Iowa fertilizer project from 2015 to 2035 are as follows

Year	Price Per Ton	Output (\$ Million)
2015	\$621	\$527.86
2016	\$639	\$1,118.28
2017	\$658	\$1,150.69
2018	\$677	\$1,184.05
2019	\$696	\$1,218.37
2020	\$716	\$1,253.68
2021	\$737	\$1,290.02
2022	\$759	\$1,327.41
2023	\$781	\$1,365.89
2024	\$803	\$1,405.48
2025	\$826	\$1,446.22
2026	\$850	\$1,488.14
2027	\$875	\$1,531.27
2028	\$900	\$1,575.66
2029	\$926	\$1,621.33
2030	\$953	\$1,668.33
2031	\$981	\$1,716.68
2032	\$1,009	\$1,766.44
2033	\$1,039	\$1,817.64
2034	\$1,069	\$1,870.33
2035	\$1,100	\$1,924.54

- The \$50 million in Iowa Investment Tax Credit award is amortized equally over five years (2013-2017) and each allocation can be carried forward for seven years, which means that 2024 is the latest year to claim the credit. The fertilizer company begins to have corporate positive tax liability in 2017 and the investment tax credit will be evenly claimed against that tax liability every tax year from 2017 to 2024. Thus, the fertilizer project receives \$6.25 million of investment tax credits every calendar year from 2018 to 2025 because the tax credit claim will likely lag the tax year by one year.

**REMI Analysis Iowa Fertilizer Project**  
**02/20/2013**

- State government will spend \$6.25 million less every year from 2018 to 2025 to offset the investment tax credit claims in order to maintain a balanced budget.
- IDOT-Grant and Iowa Finance Authority Term Bonds are either required to be paid back or provided by the federal government or private investors. These funds have no impact on State government spending.
- EDA reports that the IEDA-Forgivable Loan and IEDA-Loan were provided in 2012 from the General Fund. The IEDA-Forgivable Loan will not be paid back because of the assumption that all projected jobs are going to be created in the fertilizer project. The payback period of the IEDA-Loan will occur from 2013 to 2017 with \$0.161 million each year adding to State revenue.
- The New Jobs Training Withholding Tax Credit diverts individual income tax revenue from State government to community colleges. Government revenue and spending are reduced by \$0.15 million each year from 2015 to 2024 as a result of the \$1.5 million award.
- The sales tax refund award of \$7.44 million can be claimed for sales tax paid on building materials purchased for construction. The sales tax refund claims lag the purchases by one year and equal \$2.976 million in 2014, \$2.976 million in 2015, and \$1.488 million in 2016. Government spending from 2014 to 2016 will be reduced by the same amount.
- Although it is possible that the company may claim a refundable Research Activities Tax Credit, because the Supplemental Research Activities Tax Credit award is so small the credit is not considered in this analysis.
- Due to lack of data on the impact of the PILOT Payment system on local property taxes, it is not considered in the analysis.
- Economic output of the fertilizer project will have no direct impact on State government spending and State government employment.

**Results:**

- Table 1: Projected Changes in Private Employment by Industry between 2013 and 2023
- Table 2: Projected Changes in Personal Income between 2013 and 2023
- Table 3: Projected Direct Impacts on State Tax Revenue between 2013 and 2023
- Table 4: Projected Total Impacts on State Tax Revenue between 2013 and 2023

**REMI Analysis Iowa Fertilizer Project**  
**02/20/2013**

**Table 1. Projected Changes in Private Employment by Industry between 2013 and 2023**

Calendar Year	Construction	Scientific, and Technical Services	Manufacturing	Wholesale Trade	Retail Trade	Transportation and Warehousing	Information	Finance and Insurance	Real Estate and Rental and Leasing	Administrative and Waste Management Services	Educational Services	Health Care and Social Assistance	Arts, Entertainment, and Recreation	Accommodation and Food Services	Other Services	Total
2013	1,980	38	23	46	152	2	5	14	27	56	7	101	13	57	57	2,578
2014	1,940	192	135	63	189	3	2	17	33	81	12	126	18	82	69	2,962
2015	1,174	293	248	157	284	14	8	24	52	155	17	172	29	122	104	2,853
2016	325	203	182	229	312	21	21	24	58	196	17	162	32	129	112	2,023
2017	336	199	223	230	333	22	20	25	59	200	18	186	34	139	121	2,145
2018	324	193	217	227	317	21	19	23	55	196	19	184	34	138	118	2,085
2019	310	189	211	224	303	19	18	21	51	193	19	183	33	137	114	2,025
2020	296	185	207	220	289	19	17	20	48	190	19	182	33	136	112	1,973
2021	283	184	204	217	279	18	16	19	46	188	20	185	32	135	111	1,937
2022	273	183	201	215	270	17	15	18	45	188	20	188	32	135	111	1,911
2023	264	183	199	213	262	17	15	18	44	189	20	192	32	135	111	1,894

**Table 2. Projected Changes in Personal Income between 2013 and 2023**

Calendar Year	Baseline			Percentage of Increase
	Personal Income (\$ Million)	Personal Income Increase (\$ Million)	Personal Income	
2013	\$128,967	\$123	\$123	0.10%
2014	\$135,078	\$166	\$166	0.12%
2015	\$141,660	\$229	\$229	0.16%
2016	\$148,633	\$229	\$229	0.15%
2017	\$156,224	\$269	\$269	0.17%
2018	\$164,315	\$279	\$279	0.17%
2019	\$172,922	\$288	\$288	0.17%
2020	\$182,126	\$298	\$298	0.16%
2021	\$191,445	\$309	\$309	0.16%
2022	\$201,066	\$320	\$320	0.16%
2023	\$210,881	\$333	\$333	0.16%

**REMI Analysis Iowa Fertilizer Project**  
02/20/2013

**Table 3. Projected Direct Impacts on State Tax Revenue between 2013 and 2023**

Calendar Year	Individual Income Tax (\$ Million)	Sales and Use Tax (\$ Million)	Corporate Income Tax (\$ Million)	Total (\$ Million)
2013	\$0.92	\$0.69	\$0.05	\$1.66
2014	\$1.87	\$0.00	\$0.11	\$1.98
2015	\$1.57	\$0.00	\$0.11	\$1.68
2016	\$0.72	\$0.00	\$0.05	\$0.77
2017	\$0.22	\$0.15	\$0.02	\$0.38
2018	\$0.23	\$0.17	\$0.00	\$0.40
2019	\$0.22	\$0.17	\$0.00	\$0.39
2020	\$0.22	\$0.16	\$0.00	\$0.38
2021	\$0.22	\$0.17	\$0.00	\$0.38
2022	\$0.22	\$0.17	\$0.00	\$0.39
2023	\$0.23	\$0.17	\$0.00	\$0.40
<b>Total</b>	<b>\$6.63</b>	<b>\$1.85</b>	<b>\$0.34</b>	<b>\$8.81</b>

Note: Sales tax refunds and investment tax credit claims are reflected in the forecasts.

**Table 4. Projected Total Impacts on State Tax Revenue between 2013 and 2023**

Calendar Year	Individual Income Tax (\$ Million)	Sales and Use Tax (\$ Million)	Corporate Income Tax (\$ Million)	Total (\$ Million)
2013	\$1.96	\$1.25	\$0.19	\$3.40
2014	\$4.55	\$2.89	\$0.78	\$8.22
2015	\$6.08	\$3.95	\$1.65	\$11.68
2016	\$6.90	\$4.60	\$2.10	\$13.60
2017	\$7.40	\$5.00	\$2.13	\$14.53
2018	\$8.09	\$5.50	\$2.23	\$15.83
2019	\$8.32	\$5.66	\$2.31	\$16.29
2020	\$8.54	\$5.82	\$2.36	\$16.73
2021	\$8.79	\$6.01	\$2.43	\$17.23
2022	\$9.09	\$6.22	\$2.50	\$17.81
2023	\$9.41	\$6.46	\$2.57	\$18.44
<b>Total</b>	<b>\$79.15</b>	<b>\$53.36</b>	<b>\$21.25</b>	<b>\$153.76</b>

# FY19 IEDA Budget

Line Item	Request	Net Change from FY 2018	Budget Bill
High Quality Jobs	\$15,900,000	status quo	Economic Development Budget Bill
Operations	\$13,400,000	status quo	Economic Development Budget Bill
STEM Internships	\$1,000,000	status quo	Economic Development Budget Bill
World Food Prize	\$700,000	status quo	Economic Development Budget Bill & RIF Bill
COG Assistance	\$175,000	status quo	Economic Development Budget Bill
ICVS	\$168,201	status quo	Economic Development Budget Bill
Tourism AGRs	\$900,000	status quo	Economic Development Budget Bill
Community Attraction and Tourism (CAT)	\$5,000,000	status quo	RIF Bill
Regional Sports Authority Districts	\$500,000	status quo	RIF Bill
Lewis & Clark Rural Water	\$4,750,000	\$2,500,000 greater than FY18	Appropriated in 2017 session (HF643) for FY2019

# Budget Challenges

