

child, ~~grandchild~~, or stepchild, and their spouses, or the owner's relative within the third degree of consanguinity, and the relative's spouse.

b. If the owner is a partnership, a partner, or the partner's spouse.

c. If the owner is a family farm corporation, a family member who is a shareholder of the family farm corporation or the shareholder's spouse.

d. If the owner is an authorized farm corporation, a shareholder who owns at least fifty-one percent of the stock of the authorized farm corporation or the shareholder's spouse.

e. If the owner is an individual who leases the tract to a family farm corporation, a shareholder of the corporation if the combined stock of the family farm corporation owned by the owner of the tract and persons related to the owner as enumerated in paragraph "a" is equal to at least fifty-one percent of the stock of the family farm corporation.

f. If the owner is an individual who leases the tract to a partnership, a partner if the combined partnership interest owned by a designated person as defined in paragraph "a" is equal to at least fifty-one percent of the ownership interest of the partnership.

Sec. 2. This Act takes effect January 1, 1996, and applies to family farm tax credit claims filed on or after that date.

Approved May 30, 1996

## CHAPTER 1199

### NEW JOBS AND INCOME PROGRAM

H.F. 2481

**AN ACT** relating to eligibility criteria and benefits, including tax benefits to businesses under the new jobs and income program and establishing a penalty.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 15.327, Code 1995, is amended by adding the following new subsections:

**NEW SUBSECTION.** 1A. "Contractor or subcontractor" means a person who contracts with the eligible business or a supporting business or subcontracts with a contractor for the provision of property, materials, or services for the construction or equipping of a facility, located within the economic development area, of the eligible business or a supporting business.

**NEW SUBSECTION.** 3A. "Economic development area" means a site or sites designated by the department of economic development for the purpose of attracting an eligible business and supporting businesses to locate facilities within the state.

**NEW SUBSECTION.** 6. "Project completion" means the first date upon which the average annualized production of finished product for the preceding ninety-day period at the manufacturing facility operated by the eligible business within the economic development area is at least fifty percent of the initial design capacity of the facility. The eligible business shall inform the department of revenue and finance in writing within two weeks of project completion.

**NEW SUBSECTION.** 7. "Supporting business" means a business under contract with the eligible business to provide property, materials, or services which are a necessary component of the operation of the manufacturing facility. To qualify as a supporting business, the business shall have a permanent facility or operations located within the economic development area and the revenue from fulfilling the contract with the eligible

business shall constitute at least seventy-five percent of the revenue generated by the business from all activities undertaken from the facility within the economic development area.

**Sec. 2. NEW SECTION. 15.331A SALES, SERVICE, AND USE TAX REFUND - CONTRACTOR OR SUBCONTRACTOR.**

The eligible business or a supporting business shall be entitled to a refund of the taxes paid under chapters 422 and 423 for gas, electricity, water, or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility within the economic development area of the eligible business or a supporting business. Taxes attributable to intangible property and furniture and furnishings shall not be refunded.

To receive the refund a claim shall be filed by the eligible business or a supporting business with the department of revenue and finance as follows:

a. The contractor or subcontractor shall state under oath, on forms provided by the department, the amount of the sales of goods, wares, or merchandise or services rendered, furnished, or performed including water, sewer, gas, and electric utility services for use in the economic development area upon which sales or use tax has been paid prior to the project completion, and shall file the forms with the eligible business or supporting business before final settlement is made.

b. The eligible business or a supporting business shall, not more than six months after project completion, make application to the department for any refund of the amount of the taxes paid pursuant to chapter 422 or 423 upon any goods, wares, or merchandise, or services rendered, furnished, or performed, including water, sewer, gas, and electric utility services. The application shall be made in the manner and upon forms to be provided by the department, and the department shall audit the claim and, if approved, issue a warrant to the eligible business or supporting business in the amount of the sales or use tax which has been paid to the state of Iowa under a contract. A claim filed by the eligible business or a supporting business in accordance with this subsection shall not be denied by reason of a limitation provision set forth in chapter 421, 422, or 423.

c. A contractor or subcontractor who willfully makes a false report of tax paid under the provisions of this subsection is guilty of a simple misdemeanor and in addition is liable for the payment of the tax and any applicable penalty and interest.

**Sec. 3. NEW SECTION. 15.334A SALES AND USE TAX EXEMPTION.**

An eligible business may claim an exemption from sales and use taxation under section 422.45, subsection 27, for property which is exempt from taxation under section 15.334, notwithstanding the requirements of section 422.45, subsection 27, or any other provision of the Code to the contrary.

**Sec. 4.** Section 15.335, unnumbered paragraph 2, Code 1995, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

Any credit in excess of the tax liability for the taxable year shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on its final, completed return credited to the tax liability for the following year.

**Sec. 5. NEW SECTION. 15.337 WAIVER OF PROGRAM QUALIFICATION REQUIREMENTS.**

A community may request the waiver of the capital investment requirement or the requirement for number of positions created under section 15.329. However, in no event shall the minimum number of jobs created be less than fifteen or the minimum capital investment be less than three million dollars per application under the program. The department shall develop an appropriate formula of minimum jobs created and capital

investment required per program application which can be authorized under the waiver. The department may grant a waiver for good cause shown and approve the program application.

As used in this section, "good cause shown" includes but is not limited to a demonstrated lack of growth in the community, a significant percentage of persons in the community who have incomes at or below the poverty level, community unemployment rate higher than the state average, a unique opportunity to use existing unutilized or underutilized facilities in the community, or an immediate threat posed to the community's workforce due to business downsizing or closure.

The department shall not grant a waiver under this section after June 30, 1998.

Approved May 30, 1996

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## CHAPTER 1200

### IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

S.F. 2147

**AN ACT** increasing the membership of the Iowa telecommunications and technology commission, providing for matters relating to the authority and duties of the commission, and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 8D.3, subsection 2, Code Supplement 1995, is amended to read as follows:

2. MEMBERS. The commission is composed of ~~three~~ five members appointed by the governor and subject to confirmation by the senate. Members of the commission shall not serve in any manner or be employed by an authorized user of the network or by an entity seeking to do or doing business with the network. The governor shall appoint a member as the chairperson of the commission from the ~~three~~ five members appointed by the governor, subject to confirmation by the senate. Members of the commission shall serve six-year staggered terms as designated by the governor and appointments to the commission are subject to the requirements of sections 69.16, 69.16A, and 69.19. Vacancies shall be filled by the governor for the duration of the unexpired term. The salary of the members of the commission shall be ~~twenty~~ twenty-two thousand dollars per year, except that the salary of the chairperson shall be ~~twenty-five~~ seventeen thousand dollars per year. Members of the commission shall also be reimbursed for all actual and necessary expenses incurred in the performance of duties as members. Meetings of the commission shall be held at the call of the chairperson of the commission. In addition to the members appointed by the governor, the auditor of state or the auditor's designee shall serve as a nonvoting, ex officio member of the commission.

The benefits and salary paid to the members of the commission shall be adjusted annually equal to the average of the annual pay adjustments, expense reimbursements, and related benefits provided under collective bargaining agreements negotiated pursuant to chapter 20.

Sec. 2. Section 68B.35, subsection 2, paragraph e, Code 1995, is amended to read as follows:

e. Members of the banking board, the ethics and campaign disclosure board, the credit union review board, the economic development board, the employment appeal board, the