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WAYS AND MEANS

HOUSE FILE 441  
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HATCH, VAN FOSSEN, and HUSER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the limitation on the amount of property  
2 rehabilitation tax credits that may be approved for a fiscal  
3 year and including an applicability date provision.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HC 441

1 Section 1. Section 404A.1, subsection 1, Code 2001, is  
2 amended to read as follows:

3 1. A property rehabilitation tax credit, ~~subject to the~~  
4 ~~availability of the credit~~, is granted against the income tax  
5 imposed under chapter 422, division II or division III, for  
6 the rehabilitation of eligible property located in this state  
7 as provided in this chapter. Tax credits in excess of tax  
8 liabilities shall be refunded as provided in section 404A.4,  
9 subsection 3.

10 Sec. 2. Section 404A.4, subsection 4, Code 2001, is  
11 amended by striking the subsection.

12 Sec. 3. Section 404A.5, Code 2001, is amended to read as  
13 follows:

14 404A.5 ECONOMIC IMPACT -- RECOMMENDATIONS.

15 The department of cultural affairs, in consultation with  
16 the department of economic development, shall be responsible  
17 for keeping the general assembly and the legislative fiscal  
18 bureau informed on the overall economic impact to the state of  
19 the rehabilitation of eligible properties. An annual report  
20 shall be filed which shall include, but is not limited to,  
21 data on the number and potential value of rehabilitation  
22 projects begun during the latest twelve-month period, the  
23 total property rehabilitation tax credits originally granted  
24 during that period, the potential reduction in state tax  
25 revenues as a result of all tax credits still unused and  
26 eligible for refund, and the potential increase in local  
27 property tax revenues as a result of the rehabilitated  
28 projects. The department, to the extent it is able, shall  
29 provide recommendations on ~~whether a limit on tax credits~~  
30 ~~should be established~~, the need for a broader or more  
31 restrictive definition of eligible property, and other  
32 adjustments to the tax credits under this chapter.

33 Sec. 4. APPLICABILITY. This Act applies to fiscal years  
34 beginning on or after July 1, 2001.

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EXPLANATION

1 Property rehabilitation tax credits were enacted during the  
2 2000 legislative session. The enacting legislation provided  
3 for a limitation on approval of tax credit of not more than  
4 \$2.4 million for a fiscal year. This bill eliminates that  
5 limitation.

6 The bill applies to fiscal years beginning on or after July  
7 1, 2001.

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