

FEB 4 2002

WAYS AND MEANS

HOUSE FILE 2197

BY GRUNDBERG

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to historic property rehabilitation tax credits,
2 including transferability of credits and the limit on the
3 amount of credits that may be approved for a fiscal year.

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

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HF 2197

1 Section 1. Section 404A.2, Code 2001, is amended by adding
2 the following new unnumbered paragraph after unnumbered
3 paragraph 3:

4 NEW UNNUMBERED PARAGRAPH. A person receiving a tax credit
5 under this chapter may transfer all or a portion of the unused
6 tax credit to any other person. However, the tax credit shall
7 only be transferred once. The transferee may use the amount
8 of the tax credit transferred against taxes imposed under
9 chapter 422, division II or III for any tax year the
10 transferor could have claimed the credit. Any consideration
11 received for the transfer of the tax credit shall not be
12 included as income under chapter 422, division II or III. Any
13 consideration paid for the transfer of the tax credit shall
14 not be deducted from income under chapter 422, division II or
15 III.

16 Sec. 2. Section 404A.4, subsection 2, Code 2001, is
17 amended to read as follows:

18 2. After verifying the eligibility for the tax credit, the
19 state historic preservation office, in consultation with the
20 department of economic development, shall issue a property
21 rehabilitation tax credit certificate to be attached to the
22 person's tax return. The tax credit certificate shall contain
23 the taxpayer's name, address, tax identification number, the
24 date of project completion, the amount of credit, and other
25 information required by the department of revenue and finance,
26 and a place for the name and tax identification number of any
27 transferee and the amount of the tax credit being transferred.

28 Sec. 3. Section 404A.4, subsection 4, Code 2001, is
29 amended to read as follows:

30 4. The total amount of tax credits that may be approved
31 for a fiscal year under this chapter shall not exceed ~~two~~ four
32 million ~~four~~ eight hundred thousand dollars. Tax credit
33 certificates shall be issued on the basis of the earliest
34 awarding of certifications of completion as provided in
35 subsection 1. The departments of economic development and

1 revenue and finance shall each adopt rules to jointly
2 administer this subsection and shall provide by rule for the
3 method to be used to determine for which fiscal year the tax
4 credits are approved.

5 EXPLANATION

6 This bill provides that a person receiving a historic
7 property rehabilitation tax credit may transfer all or a
8 portion of the unused credit to any other person; however, a
9 tax credit shall only be transferred once. The bill provides
10 that the transferee may use the amount of the tax credit
11 transferred against personal income taxes or corporate income
12 taxes for any tax year the transferor could have claimed the
13 tax credit. Consideration received for transfer of a tax
14 credit shall not be included as income for purposes of state
15 income tax and amounts paid for transfer of a tax credit may
16 not be deducted from income for purposes of state income tax.

17 The bill increases from \$2.4 million to \$4.8 million the
18 total amount of tax credits that may be approved for a fiscal
19 year.

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