

MAR 2 2005
Place On Calendar

HOUSE FILE 533
BY COMMITTEE ON ECONOMIC GROWTH

(SUCCESSOR TO HF 98)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to criteria and incentives under the new capital
2 investment program and including an applicability provision.

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

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HF 533

1 Section 1. Section 15.384, subsection 1, paragraph c, Code
2 2005, is amended to read as follows:

3 c. The business makes a capital investment of at least one
4 million two hundred fifty thousand dollars.

5 Sec. 2. Section 15.385, Code 2005, is amended by adding
6 the following new subsection:

7 NEW SUBSECTION. 6. For eligible businesses that have
8 fifty or fewer employees and make a capital investment of at
9 least two hundred fifty thousand dollars, but less than two
10 million dollars, the aggregate amount of tax credits
11 authorized to such eligible businesses pursuant to this
12 section shall not exceed a total of two million dollars each
13 fiscal year. A business is not eligible to receive a tax
14 credit under this section if the business has more than fifty
15 employees. The department shall develop a system for
16 registration and authorization of tax credits under this
17 subsection and shall control, in cooperation with the
18 department of revenue, the distribution of all such tax
19 credits to eligible businesses.

20 Sec. 3. APPLICABILITY. This Act applies to applications
21 approved by the department of economic development on or after
22 July 1, 2005.

23 EXPLANATION

24 This bill relates to criteria and incentives under the new
25 capital investment program.

26 The bill lowers the capital investment requirement for
27 eligible businesses under the program from \$1 million to
28 \$250,000.

29 The bill provides that, for eligible businesses that have
30 50 or fewer employees and make a capital investment of at
31 least \$250,000, but less than \$2 million, the aggregate amount
32 of tax credits authorized to such eligible businesses under
33 the program shall not exceed a total of \$2 million each fiscal
34 year. The bill provides that a business is not eligible to
35 receive a tax credit if the business has more than 50

1 employees. The bill provides that the department shall
2 develop a system for registration and authorization of tax
3 credits under the program and shall control the distribution
4 of all tax credits to taxpayers.

5 The bill applies to applications approved by the department
6 on or after July 1, 2005.

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