The Iowa New Jobs Tax Credit

Tax Credits Program Evaluation Study

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By

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Preface

During the 2005 Legislative Session the Iowa Department of Revenue received an appropriation to establish the Tax Credits Tracking and Analysis Program to track tax credit awards and claims. In addition, the Department was directed to assist the legislature by performing periodic economic studies of tax credit programs. This is the first evaluation study completed for the Iowa New Jobs Tax Credit.

As part of the evaluation, an advisory panel was convened to provide input and advice on the study's scope and analysis. We wish to thank the members of the panel:

Alaina Santizo	Iowa Economic Development Authority
Ed Wallace	Iowa Workforce Development
Liesl Eathington	Iowa State University
Mike Ralston	Iowa Association of Business and Industry
Peter Orazem	Iowa State University
Sherry Timmins	Iowa Economic Development Authority
Steve Ovel	Kirkwood Community College
Tim Whipple	Iowa Economic Development Authority

The assistance of an advisory panel implies no responsibility for the content and conclusions of the evaluation study. This study and other evaluations of Iowa tax credits can be found on the Tax Credits Tracking and Analysis Program Web page on the Iowa Department of Revenue website.

Table of Contents

Executive Summary

The New Jobs Tax Credit was enacted in tax year 1985. The tax credit was established to provide additional tax benefits for businesses participating in the Iowa Industrial New Jobs Training Program (260E) and creating job growth of at least ten percent.

The tax credit equals six percent of the wages paid to employees in the new jobs up to the qualifying taxable wage. The New Jobs Tax Credit is nonrefundable with a ten year carryforward and is nontransferable. The tax credit can only be claimed once for each eligible new job. Jobs eligible for the New Jobs Tax Credit only include new jobs that directly result from the project covered by the 260E agreement and new jobs directly related to those new jobs. New Jobs Tax Credits can only be claimed against corporation and individual income taxes.

The main findings of the evaluation study are the following:

Description and History of the New Jobs Tax Credit

- The New Jobs Tax Credit was the second Iowa tax credit incentive enacted in Iowa. The tax credit, providing a tax incentive for job creation for businesses also doing job training, was enacted during the 1980’s farm crisis in Iowa.
- Although only participating businesses in the 260E program are eligible for the New Jobs Tax Credit, the functioning of the 260E program is not dependent on the availability or usage of the New Jobs Tax Credit.

New Jobs Tax Credit Claims

- Between tax years 2006 and 2013, there were 10,314 New Jobs Tax Credit claims exceeding $22.7 million reported on Iowa corporation income tax returns and Iowa individual income tax returns with an average of $2.8 million claimed per tax year.
- While only 5.6 percent of claims were made on corporation income tax returns, 53.6 percent of the total claim amount was made against Iowa corporation income tax. The remaining claims were filed by members of pass-through entities on individual income tax returns.
- Although initial earned tax credit claims remained around $3 million or lower over the last eight years, dipping to under $2 million in the recession year of 2009, the amount of tax credit carried forward from prior years dropped from $12 million in tax year 2006 to just $6 million in tax year 2013.

New Jobs Tax Credit Claims by Community College, Industry, and Base Employment

- Of the 1,425 260E contracts active in 2012 or later, 30.0 percent were linked to New Jobs Tax Credit claims.

- More than 50 percent of claims matched to 260E contracts were associated with three of the 15 community colleges, Kirkwood Community College, Des Moines Area Community College, and Eastern Iowa Community College.
- Claims associated with businesses in the manufacturing industry accounted for more than 60 percent of all matched claims, exceeding $11.4 million.
- Of the 903 unique businesses participating in the 260E program in 2012 and later, 22.0 percent were matched to a New Jobs Tax Credit claimed by the company or by shareholders.
- The average total matched claim per contract was $43,877. The average total matched claim per business was $94,148 because some businesses had claims on multiple 260E contracts with multiple community colleges.
- Businesses with base employment, a measure of full-time employees at the specific work location specified in the 260E contract, between 51 and 200 accounted for 32.2 percent of matched claims, the highest share among all business size groups. Businesses with base employment of 1,001 and above had the average claim per contract of $138,788, higher than all other business size groups.

Job Creation Associated with New Jobs Tax Credit Claims

- The total employment growth between 2006 and 2013 at businesses associated with New Jobs Tax Credits claims was estimated to be almost 27,000, measured using records from Iowa Workforce Development.
- For businesses associated with New Jobs Tax Credit claims, the average jobs created per contract was 73. The gain measure is based on employment growth at the work location, but not necessarily just those jobs directly related to the 260E contract or eligible for the tax credit.

Employment at Businesses with and without New Jobs Tax Credit Claims

- Between 2006 and 2013, the median annual employment growth rates of businesses associated with New Jobs Tax Credit claims were higher than all other businesses participating in the 260E program without New Jobs Tax Credit claims. The median annual employment growth rates of both groups participating in 260E job training were higher than that of statewide nonfarm employment in nearly all years over that same period.

Effectiveness of New Jobs Tax Credit Incentives

- Among 912 businesses with a 260E contract reporting at least ten percent job creation over base employment in 2013, only 301 could be associated with New Jobs Tax Credit claims. That suggests that two-thirds of eligible businesses either did not know about the New Jobs Tax Credit or decided the administrative cost of making a claim exceeded the benefits.

- For each business with a 260E contract and reported ten percent job growth, the ratio of created jobs directly related to the 260E contract to base employment was calculated. The median ratio for businesses with New Jobs Tax Credit claims was 35.4 percent, lower than the 41.4 percent median for businesses without New Jobs Tax Credit claims. This suggests that the New Jobs Tax Credit has not served as an incentive for claimants to create additional jobs.
- Compared to average New Jobs Tax Credit claims of under $3 million annually, since tax year 2009 Iowa businesses claimed more than $25 million annually in Investment Tax Credits. The Investment Tax Credit is a tax incentive awarded by the Iowa Economic Development Authority under programs in place since the 1990’s to promote investment and job creation in Iowa.

I. Introduction

The New Jobs Tax Credit was created as an additional incentive for job creation associated with the Iowa Industrial New Jobs Training Program (260E). The New Jobs Tax Credit, created in 1985, was the second income tax credit enacted in Iowa, and the first Iowa income tax credit directly linked to job creation.

Section II describes the program. Neighboring states' income tax credit programs promoting job creation are introduced in the section III. Evaluation studies on similar economic development tax incentive programs from other states are summarized in section IV. Section V provides descriptive statistics of New Jobs Tax Credit claims. Section VI discusses different measures of the number of jobs created related to the tax credit and assesses the effectiveness of the tax credit to induce job creation and analyzes utilization of the tax credit. The study concludes in section VII.

II. Description and History of the Iowa New Jobs Tax Credit

When the New Jobs Tax Credit was enacted, Iowa was experiencing one of its most economically difficult periods. During the 1980's, the state suffered the worst farm crisis in recent history which spilled over into manufacturing job loss and a population decline of 3.4 percent during the decade.[1] In Iowa, farmland values per acre soared from $319 in 1970 to $1,694 in 1982, an increase of 431 percent, but then dropped 62 percent to $652 by 1987 (FDIC, 1997). This rise and fall in farmland values resulted in a major disruption to the farm economy, with farmers unable to pay for land that they purchased at the peak. Iowa's manufacturing businesses providing equipment, services, and other inputs to farmers also experienced a severe downturn when struggling farmers cut back their expenditures. The weakness in the farm economy, resulting in a broader economic slowdown in the state, pushed Iowa's unemployment rate above 7 percent for much of the first half of the 1980s, rates not seen in Iowa since.

The New Jobs Tax Credit was enacted in 1985 as a job creation incentive for participants in the Iowa Industrial New Jobs Training Program (260E) that is administered by the 15 community colleges and coordinated by the Iowa Economic Development Authority (IEDA).[2]

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[1] Iowa population dropped from 2.9 million in 1979 to 2.8 million in 1989, according to the United States Census Bureau.

[2] The Iowa Industrial New Jobs Training Program became effective July 1,1983. The program is commonly referred to as "260E" after the Iowa Code section which authorizes the program. The 260E program allows eligible businesses and community colleges to enter into 260E agreements to train new employees. Eligible businesses are engaged in manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate commerce. The business makes quarterly payments for up to ten years equal to 1.5 percent of the wages paid to employees holding the new jobs attributed to the training. Businesses meeting certain wage requirements are also awarded supplemental

To be eligible to claim the New Jobs Tax Credit, a business must first sign a 260E training agreement, or contract, with an Iowa community college that allows the business to claim withholding tax credits each quarter equal to the amount of payment made to the college to cover the cost of that training, using a unique certificate number assigned to that contract. Second, during the period covered by the 260E contract (up to ten years), a business must increase existing Iowa employment at the location covered by the contract by at least ten percent over the base employment level specified in the contract. A new company with zero base employment in Iowa becomes eligible for the New Jobs Tax Credit by adding any number of jobs. Third, an eligible company cannot close or substantially reduce its operations in one area of the state and relocate substantially the same operation in another area of the state and count the jobs in the new area as new jobs. Unlike the withholding tax credits awarded under the 260E program which finance the job training, the New Jobs Tax Credit only benefits the eligible company or its owners by reducing Iowa income tax liability and the funds from the tax credit do not directly pay for job training. Although only participating businesses in the 260E program are eligible for the New Jobs Tax Credit, the functioning of the 260E program is not dependent on the availability or usage of the New Jobs Tax Credit.

In 1985, the New Jobs Tax Credit was the only State tax incentive to directly encourage job creation and combat the manufacturing job losses that had struck the Iowa economy. Nearly a decade later, the State enacted the first economic development program targeted at the creation of jobs with the New Jobs and Income Program effective in 1994. That program was replaced by the High Quality Jobs Program in 2005. In addition, the Enterprise Zone Program, with a requirement for the creation of new jobs in designated enterprise zones to qualify for tax credit awards, was in place from 1997 through 2014. None of those programs had or have a direct link to job training like the New Jobs Tax Credit which continued to be available throughout the last three decades. Rather, those programs target specific industries and businesses contemplating capital investment and job retention or creation in Iowa. IEDA conducts extensive marketing to promote the programs. Once IEDA awards participating businesses Investment Tax Credits, the main tax incentive under these programs, IEDA conducts compliance monitoring to ensure the promised investment and jobs resulted.

The New Jobs Tax Credit equals six percent of qualifying taxable wages for each eligible new job in the tax year of initial claim. Qualifying taxable wages are defined as wages for which the employer is required to contribute to the State unemployment compensation fund. The qualifying taxable wages amount is set annually by Iowa Workforce Development as part of the

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credits, allowing payments equal to an additional 1.5 percent of wages, for a total of 3.0 percent. After remitting a payment to the community college each quarter, a business can claim the amount of that payment as a New Jobs Withholding Tax Credit, and maybe a Supplemental New Jobs Withholding Tax Credit, on the withholding tax return filed with the Iowa Department of Revenue (IDR), reducing its Iowa withholding tax obligation. Iowa Code 260E.7 directs Iowa Economic Development Authority (IEDA) to coordinate and review the 260E program and to adopt, amend or repeal administrative rules under Iowa Code Chapter 17A of the Iowa Administrative Procedures Act. Community colleges are to implement the 260E program, adhering to Iowa Administrative Code 261, Chapter 5. For more information, see Gullickson and Jin (2010).

administration of the State unemployment insurance program. In 2015, qualifying taxable wages equaled $27,300, thus for each job with taxable wages equal to or greater than that amount during the tax year, the business can report an initial earned New Jobs Tax Credit equal to $1,638. If taxable wages during the tax year fall below that amount, the credit is limited to six percent of those wages. Although eligibility requires a 260E agreement and withholding tax credit award, claims to the New Jobs Tax Credit are automatic, that is, the taxpayer simply reports the amount earned, based on the calculation noted above on the IA 1120 Corporation Income Tax Return or IA 1040 Individual Income Tax Return.

The New Jobs Tax Credit can only be claimed once for any new job, and the claim can only be made in a tax year where the business met the ten percent job growth requirement. As noted above, the ten percent job growth is measured against the base employment level specified in the 260E contract. Base employment is a measure of full-time employees, where a part-time position is considered as a fraction of a full-time employee in the calculation of the base.[3] Jobs eligible for the New Jobs Tax Credit only include new jobs that directly result from the project covered by the 260E agreement and new jobs directly related to those new jobs. "Jobs directly related to those new jobs" means jobs which directly support the new jobs but does not include in-state employees transferred to a position which would be considered a job directly related to the new jobs unless the transferred employee's vacant position is filled by a new employee. For example, if a taxpayer who has entered into a 260E contract to train new employees for a new product line transfers an in-state employee to be supervisor of the new product line and fills the transferred employee's position with a new employee, then the new supervisor's position would be considered a job directly related to those new jobs because it directly supports the new jobs and the transferred employee's old position was filled by a new employee. The burden of proof that a job is directly related to those new jobs is on the taxpayer.

To claim the New Jobs Tax Credit, the taxpayer must complete the IA 148 Tax Credits Schedule, a requirement in place since the 2006 tax year. Since tax year 2014, the taxpayer must include the 260E contract certificate number on the IA 148. The IA 133 New Jobs Tax Credit Form, with limited information provided by the taxpayer, was also required to be included with the return until tax year 2011 when IDR changed the form into a worksheet. However, effective for tax year 2015, the IA 133 was transformed back into a form, with an extensive expansion in the information requested from the taxpayer, which must be included with the tax return for all claims.

The New Jobs Tax Credit can be claimed against Iowa corporation income tax liability. If the eligible business is organized as a pass-through entity such as a limited liability company, S corporation, or partnership, the tax credit can be passed through to members and claimed against Iowa individual income tax liability. Sole proprietors earning the tax credit make their claim against individual income tax liability. The New Jobs Tax Credit is nonrefundable with a

[3] A full-time job includes any position with an average work week of 35 or more hours or salaried position. In addition, part-time jobs must be aggregated to equal a full-time job where a job with average weekly hours below 15 counts as ¼; hours between 15 and less than 25 counts as ½; and hours between 25 and less than 35 counts as ¾.

ten year carryforward, which means if the tax credit exceeds the taxpayer's tax liability in the initial tax year of claim, the excess tax credits can be carried forward and applied against tax liability for an additional ten years or until depleted, whichever is earlier. The New Jobs Tax Credit is also not transferable, which means taxpayers eligible for the credit cannot sell the credit to other taxpayers.

III. Similar Job Creation Incentive Programs in Other States

The Iowa New Jobs Tax Credit is unique because eligible businesses must both have an active contract for training new employees with a community college and meet conditions for job creation. No other state was found to have a comparable job incentive program with similar dual requirements. However, broadening the comparison to state programs encouraging job creation, tax credits linked to job creation were identified in many other states. The following comparison focuses on statewide tax incentive programs available in Iowa's neighboring states (see Table 1).

Among Iowa's neighboring states, South Dakota does not have an income tax. Minnesota does not have a statewide tax credit program to encourage job creation, but it has several regional job creation tax incentives available for businesses located in certain regions in the state. The other four neighboring states (Nebraska, Missouri, Illinois, and Wisconsin) offer an income tax credit or payroll tax credit program directly linked to job creation that is available statewide. Nebraska and one of Illinois' programs require investment along with job creation. All have incentives targeting a certain level of job creation rather than a percentage change like the New Jobs Tax Credit. Nebraska and Missouri's programs offer multiple years of tax credits for the same jobs, unlike Iowa's New Jobs Tax Credit which is limited to one claim per new job.

The Nebraska Advantage Act provides a tax credit against withholding where the tax credit rate depends on the number of new jobs and/or the amount of investment as well as the level of wages. The program categorizes businesses into six tiers based on investment and projected job creation:

- Tier 1: $1 million new investment and 10 new jobs;
- Tier 2: $3 million new investment and 30 new jobs;
- Tier 3: 30 new jobs;
- Tier 4: $10 million new investment and 100 new jobs;
- Tier 5: $30 million new investment;
- Tier 6: $10 million new investment and 75 new jobs, or $100 million new investment and 50 new jobs.

For a business in Tier 1 through Tier 4, the payroll tax credit rate, which rises as wages rise, equals:

- Three percent of the annual payroll of new employees if the average wage of new employees equals at least 60 percent of the Nebraska average annual wage;
- Four percent if the average wage equals at least 75 percent of the Nebraska average;

- Five percent If the average wage equals at least 100 percent of the Nebraska average; or
- Six percent if the average wage is at least 125 percent of the Nebraska average.

Employees with an annual salary exceeding $1 million are excluded from the calculation of the average new employee wage. For a business in Tier 6, the tax credit rate is ten percent of annual payroll of new employees. Without new employees, Tier 5 businesses are not eligible for a payroll tax credit.

Nebraska businesses in Tier 1, Tier 3, or Tier 6 have a maximum benefit period of ten years. Businesses in Tier 2 or Tier 4 have a maximum benefit period of seven years. Tax credits under the Nebraska Advantage Act are nonrefundable. Credits may be carried forward nine years after the year of application for a Tier 1 or Tier 3 business, fourteen years for a Tier 2 or Tier 4 business, or ten years for a Tier 6 business.

Missouri offers the Missouri Quality Jobs Tax Credit that targets small businesses, technology businesses, and high impact businesses. To be eligible for this tax credit, small businesses are required to create at least 20 new jobs if they are located in rural areas or create at least 40 new jobs if they are located in non-rural areas. Technology businesses are required to create at least ten new jobs to be eligible for the tax credit. High impact businesses must create at least 100 new jobs. The program excludes gambling, retail trade, food and drinking places, public utilities, educational services, religious organizations, and public administration companies.

The Missouri Quality Jobs Tax Credit equals 100 percent of the individual income tax withheld for new employees of eligible small businesses. The benefit period is three years if the average wage of new jobs is between 100 percent and 119 percent of the county average wage, or five years if the average wage of new jobs is at least 120 percent of the county average wage. For an eligible technology business, the tax credit rate is five percent of payroll of new jobs each year for five years, plus an average wage bonus. The average wage bonus is 0.5 percent if the company average wage falls between 120 percent and 140 percent of the county average wage, or one percent if the company average wage is greater than 140 percent of the county average wage. An eligible high impact business can claim a tax credit of three percent of payroll of new jobs each year for five years, plus the average wage bonus and a local incentives bonus. The local incentives bonus, effectively a state tax credit to match local incentives provided to the business, equals:

- One percent of payroll of new jobs if local incentives provided to the business equal 10 to 24 percent of new local tax revenues derived from the business;
- Two percent if local incentives provided to the business equal 25 to 49 percent of new local tax revenues derived from the business; or
- Three percent of payroll of new jobs if local incentives provided to the business equal at least 50 percent of new local tax revenues derived from the business.

The Missouri Quality Jobs Tax Credit is nonrefundable. The tax credit cannot be carried forward. The statewide funding limit for the credit is $80 million per year.

The Illinois Small Business Job Creation Tax Credit requires eligible businesses to have less than 50 employees when they apply for the tax credit. The applicants need to negotiate with the Illinois Economic Development Department on the number of eligible jobs. The tax credit equals $2,500 per new job for one year. The tax credit can be used against payroll tax and cannot be carried forward.

Illinois has another tax incentive for job creation, the Illinois Economic Development for a Growing Economy Credit (EDGE). EDGE offers a negotiable percentage of corporate income tax credits for new jobs. The credit requires a business to make an investment of at least $5 million in capital improvements and create a minimum of 25 new full-time jobs in Illinois. For a company with 100 or fewer employees, the company must agree to make a capital investment of $1 million and create at least five new full time jobs. Businesses in retail trade and personal service are not qualified for the credit. This credit is nonrefundable and cannot be carried forward. With recent budget issues, this credit was suspended from June 2015 through November 2015.

Wisconsin offers the refundable Jobs Tax Credit. Upon negotiation with the Wisconsin Economic Development Corporation, businesses can receive an income tax credit equal to up to ten percent of total wages paid to eligible employees during the tax year, and in some cases the costs incurred by the claimant to undertake training activities for those employees in the current year. New jobs in retail, loan companies, media businesses, farms, telemarketing, pawn shops, certain medical facilities, and financial institutions are not eligible for the credit.

IV. Literature Review

Several studies consider the effectiveness of state tax incentives in promoting economic development and job creation and found mixed conclusions. Some studies suggested that there was little impact of tax credits on creating jobs. Others found evidence that tax credits stimulated job growth in states.

Maryland Department of Legislative Services (2014) and Sohn and Knaap (2005) evaluated the effectiveness of two different Maryland's tax incentives for job creation and reached different conclusions. Maryland Department of Legislative Services (2014) evaluated the Maryland Enterprise Zone Program which offers $1,500 for a new job created by businesses. The report concluded that the income tax credit was not effective because eligible employers and employees were unaware of the income tax credits, based on the fact that only $0.6 million of income tax credits were claimed by 850 Enterprise Zone projects in 2010. Sohn and Knaap (2005) studied Maryland's Job Creation Tax Credit awarded to businesses for creating new jobs in Priority Funding Areas. Businesses participating in Maryland's Job Creation Tax Credit and creating a minimum number of new full-time positions may be entitled to state income tax credits of up to $1,000 per job or $1,500 per job. The estimated results showed that the Job Creation Tax Credit was strongly associated with increasing employment growth rates in the service, transportation, communication, and utilities industries. For the manufacturing, finance, insurance, and real estate industries, the credit was estimated to have little effect on job creation.

Rubin and Boyd (2013) analyzed business tax incentives in New York including those specifically linked to job creation. The authors did not find evidence that these tax credits were effective in promoting job growth. The Maine Department of Economic & Community Development (2014) found a similar result that job related tax credits had not produced the intended results in Maine.

The Florida Office of Economic & Demographic Research (2014) estimated return-on-investment for their state economic development incentive programs for the period between 2009 and 2012. In the study, return-on-investment was defined as the increase in state revenue divided by state investment. The study assumed that investment projects would not have been implemented if businesses had not received those incentives. Then, a general equilibrium model was used to estimate the economic impact of such incentives. The study found that one of the programs, the Florida Qualified Target Industry Tax Refund Program (QTI), which awards grants for the creation of high-wage jobs, created 29,032 jobs with the total award of $23.2 million. The estimated return-on-investment for the QTI program was 6.8.

Bartik and Erickcek (2012) simulated job and fiscal impacts of the Michigan Economic Growth Authority tax credit program for job creation. The Michigan Economic Growth Authority provides over $2,000 per year as a tax credit for over 15 years for each new job created. The study used REMI software to estimate the spillover impact of this tax credit on employment. Including the spillover effect, they estimated that the impact of the tax credit was about 6 jobs per $10,000 of awarded tax credits.

Fault and Hicks (2013) analyzed tax incentives related to job creation for Indiana from 2005 through 2010. The Indiana Economic Development for a Growing Economy (EDGE) Tax Credit is a refundable corporate income tax credit calculated as a percentage (not to exceed 100%) of the expected increased withholding taxes generated from new jobs creation. The authors used a regression model to estimate the impact of the awarded tax credits on county employment. They found that the estimated impact of the Indiana EDGE Tax Credit ranged from 5.3 jobs to 6.1 jobs per $1,000 of EDGE tax credits.

Luger and Bae (2005) estimated the induced impacts of the North Carolina Job Creation Tax Credit which awarded businesses for creating new jobs. The awards ranged from $500 to $12,500 for each new job based on the location of the new jobs. The authors estimated that the job creation tax credit in North Carolina created 97 jobs in 1999, jobs that would not have been created if there were no tax credits. For these 97 new jobs, the average credit claimed was $147,463. The tax credit was repealed in 2007.

V. New Jobs Tax Credit Claims Analysis

A. New Jobs Tax Credit Claims

Complete New Jobs Tax Credit claim data are first available for tax year 2006 when the IA 148 Tax Credits Schedule was introduced.[4] Between tax years 2006 and 2013, there were 10,314 claims to a New Jobs Tax Credit, including claims filed by members of pass-through entities and claims of credits carried forward from prior years (see Table 2). The total amount of tax liability reduced by claims between tax years 2006 and 2013 was $22.7 million (the collection and verification of claim data from the IA 148 Tax Credits Schedule are incomplete for tax year 2013).

More than half (53.6%) of the New Jobs Tax Credit claims totaling $12.2 million were made against the Iowa corporation income tax and 46.4 percent of the tax credit claims totaling $10.5 million were made against the individual income tax by members of pass-through entities (see Table 2). Although the amount of claims is fairly evenly distributed between the tax types, 94.4 percent of the number of claims was against individual income tax. The average individual income tax claim ($1,082) is significantly smaller than the average corporation income tax claim ($21,130), reflecting the splitting of claims among multiple members of pass-through entities. Nearly $4.1 million of the New Jobs Tax Credits were claimed in 2007, the highest for the period between 2006 and 2013. The dip in the amount of New Job Tax Credits applied against tax liability in tax year 2009 to $2.3 million, driven by a drop in corporation claims, reflects the recession constraining tax liability and thus limiting nonrefundable tax credit claims.

The New Jobs Tax Credits carried forward from a previous tax year have dropped steadily from more than $12 million in tax year 2006 to $6.5 million in 2013 (see Table 3). This reflects a nearly flat amount of initial tax credits earned each tax year, $2.7 million on average, and a slightly higher amount of tax credits claimed each year, $2.8 million on average. Therefore the New Jobs Tax Credits carried forward to the next tax year also experienced the same downward trend between 2006 and 2013.

A reported initial tax credit earned indicates that in that tax year the associated business is asserting it increased jobs by at least ten percent, with those jobs directly related to the 260E training. The amount of initial tax credits earned dropped from above $3 million before 2009 to under $2 million in 2009, likely due to the recession constraining job growth. The amount of initial tax credits earned recovered to over $3 million in 2010 and $2.7 million in 2011 and

[4] For tax years 1985 through 2005, claims were made by reporting an amount on the "other nonrefundable credits" line on the IA 1040 for individuals or the IA 1120 for corporations. Historical data is available about claims reported on those lines for tax years prior to 2006, but it is not possible to distinguish the amount of New Jobs Tax Credit claims from other nonrefundable credits available in those same tax years. In particular, beginning in 1994, the Investment Tax Credit awarded under the other job incentive programs administered by the Economic Development Authority mentioned in Section II was claimed on that same line. Therefore, the analysis in this study only considers New Jobs Tax Credit claims beginning in tax year 2006.

2012. The reported drop in initial earned tax credits to $1.6 million in tax year 2013 likely reflects incomplete data at the time of this study.

It should be the case that the amount carried forward to the next tax year equals the reported amount carried forward from a previous tax year for the following tax year. However, in all cases the two numbers are not equal, and in all but one year the amount reported from the previous year is lower. For example, in tax year 2009 $8.2 million of the $11.8 million in available credits reported by 1,735 taxpayers could not be used against tax liability and was reported as being carried forward to be used in tax year 2010 or later. However, for the 1,290 taxpayers that reported claims in tax year 2010, the amount carried forward from 2009 was only $8.1 million. The possible reasons for the year-to-year drops in tax credit carried forward could be that some taxpayers stopped filing Iowa tax returns because they moved out of state, died, or fell below the filing thresholds, or taxpayers who did file forgot that they had tax credits available to claim. The amount of expired tax credits, New Jobs Tax Credits that could not be applied against a taxpayer's liability before the end of the ten-year carryforward period, spiked to $1.2 million in 2009 and to $1.4 million in 2013. The jump was caused by the expiration of a large amount of tax credits reported by a few taxpayers, likely reflecting an inability to use credits because of low income resulting from the recession along with improved verification of the claim data.

For nonrefundable tax credits, claims analysis typically includes an attempt to estimate the timing of claims over the eligible carryforward period. However, that analysis typically relies on information gleaned from the tax credit certificate number associated with the claim. Although every 260E contract has an associated tax credit certificate, as will be discussed below, the date information associated with those certificate numbers would not be useful for the typical timing analysis over the carryforward period. This is because the award year in the tax credit certificate number represents the first year of 260E withholding tax credit claims and not necessarily the first year of the New Jobs Tax Credit claim. Recall that New Jobs Tax Credits can first be claimed in any year of the ten-year 260E contract period when the ten percent job growth requirement is met. Therefore, timing analysis is not presented here. Although some expiration data is available, because claim data is only available for eight years, it is not yet possible to determine the average share of earned New Jobs Tax Credits that expire after the available ten year carryforward period. Such analysis will be possible once an additional three to five years of claim data is available.

B. Matching Between 260E Contracts and New Jobs Tax Credit Claims

In 2012, the Iowa Economic Development Authority established a comprehensive database for 260E contracts, including all training contracts active at that time and since. The 260E award information recorded into the database by the community colleges include the tax credit certificate number, business identity, the contract period, the number of jobs at the beginning of the 260E contract period which is called base employment, the number of new jobs that the business promised to create under the 260E contract which is called jobs pledged, the address of the work site of the awarded business, industry information, and estimated average wage information.

New Jobs Tax Credit claims against individual or corporation income tax must be associated with a 260E contract. Recall each contract has a tax credit certificate number that is used by the business for claiming withholding tax credits that are awarded under the 260E contract. However, taxpayers reporting a New Jobs Tax Credit claim on the IA 148 Tax Credit Schedule filed with an income tax return were not required to report the associated 260E tax credit certificate number until tax year 2014. Without that common tax credit certificate number in the tax years covered in this study, many New Jobs Tax Credit claims do not directly identify the associated 260E contract. In order to analyze the usage of this credit by businesses participating in the 260E program, efforts were made to match each New Jobs Tax Credit claim to a 260E contract based on the name of the business making the claim or the name of the pass-through entity associated with the claim. Among all reported claims, $18.7 million (82.4%) were able to be matched with a 260E contract (see Table 4).[5] There are several possible reasons for the inability to match all claim amounts to 260E contracts beyond the lack of the tax credit certificate number. If individual income taxpayers failed to report a pass-through entity, it was not possible to match that claim to the associated business. Businesses with claims prior to tax year 2012 may have made claims associated with 260E contracts that expired prior to 2012; those contracts would not be included in the EDA database. Alternatively, a business with a 260E contract may have merged or been acquired after making a claim or passing the claim to owners, so the entity does not appear in the award database. It is also possible that the taxpayer incorrectly reported a claim to the New Jobs Tax Credit.

C. New Jobs Tax Credit Claims by Associated Community College

Only 30.0 percent (427) of the 1,425 260E contracts in the IEDA database could be associated with a New Jobs Tax Credit claim (see Table 5). The low utilization of the New Jobs Tax Credit has many possible explanations including ineligibility if the business fails to meet the ten percent threshold for job growth and lack of knowledge about the availability of the tax credit. Matched New Jobs Tax Credit claims were grouped based on the community college with which the business signed the 260E contract to consider if it is possible that community colleges' business development marketing strategies regarding the additional tax incentive influenced the utilization of the New Jobs Tax Credit.

The distribution of the 427 contracts among the colleges is highly concentrated; 111 were associated with Kirkwood Community College (26.0%) and 89 with Des Moines Area Community College (20.8%), the second highest among all community colleges (see Table 5). These two colleges accounted for close to 50 percent of the 427 contracts with New Jobs Tax Credit claims. On the other side of the spectrum, four community colleges together accounted for only 17 260E contracts associated with claims.

Among all 260E contracts associated with each college, 55.8 percent of 260E contracts associated with Northwest Iowa Community College and 51.4 percent of 260E contracts associated with Kirkwood Community College were matched with a New Jobs Tax Credit claim. However, most colleges had less than one-third of their contracts utilizing this additional tax incentive. Data was not available to compare how the community colleges each approach

[5] The match rate will improve as the collection and verification of tax credit schedule information for 2013 is completed.

marketing of the New Jobs Tax Credit, but the uneven utilization across the colleges, from 55.8 to only 12.0 percent, suggests that awareness as a result of marketing could matter.

The total amount of the New Jobs Tax Credits claims matched to 260E contracts associated with Kirkwood Community College was $4.0 million (21.4%), the highest among all community colleges (see Table 5). The total amount of the New Jobs Tax Credits claims matched to 260E contracts associated with Des Moines Area Community College and Northeast Iowa Community College were $3.3 million (17.8%) and $2.7 million (14.2%) respectively, the second highest and the third highest among the colleges. These three colleges together accounted for more than half of all matched New Jobs Tax Credit claims between 2006 and 2013.

Because the vast majority of New Jobs Tax Credit claims are made by members of pass-through entities, the average claim reported on individual tax returns does not reflect the average amount of credits earned by eligible businesses (see Table 2). The average claim reported on corporation tax returns within a tax year is also not a good estimate of the average amount earned because claims in a given year may have been limited by tax liability resulting in carryforward and future claims, and thus an annual measure would understate the full amount earned. Using the matches of claims to 260E contracts, the claims could be aggregated by the 260E tax credit certificate number across all available tax years and claimants. The average total claims per certificate were $43,877 for all matched certificates and the maximum total tax credit claims on a certificate was more than $0.8 million (see Table 5).

A business can enter into multiple 260E contracts with the same or different community colleges and multiple subsidiaries can jointly participate in the same 260E contract.[6] Among 938 businesses participating in the 260E program in 2012 and later, only 219 (23.3%) claimed New Jobs Tax Credits between tax years 2006 and 2013 (see Table 6). Among the 219 businesses with claims to the New Jobs Tax Credits, 45 (20.5%) participated in the 260E program with Kirkwood Community College, the highest share of businesses among all community colleges. Of the 28 businesses matched to 260E contracts associated with Northwest Iowa Community College active in 2012 or later , 15 (53.6%) claimed New Jobs Tax Credits, which was the highest utilization rate among all community colleges. Utilization of the New Jobs Tax Credit is only 30.0 percent when measured on a contract basis, but the utilization rate when measured on the business level is a lower 23.3 percent. This suggests that some businesses are able to make New Jobs Tax Credit claims on multiple contracts, but overall less than one-quarter of the businesses with 260E contracts are either meeting the job growth requirement, have been made aware of the tax credit, or have taken the time to calculate and claim this additional tax credit. The average total claims per business were $85,550 for all matched businesses. The maximum total tax credit claims made by a business was more than $1.6 million.

[6] Sometimes a parent company can also enter a 260E contract with its subsidiaries. If businesses had 260E contracts with multiple community colleges those businesses were counted once for each community college in Table 6.

D. New Jobs Tax Credit Claims by Industry

Another interesting analysis to consider is whether businesses participating in the 260E program differentially make claims to the New Jobs Tax Credit based on the industry in which the business operates. The 1,425 260E contracts in the IEDA database were grouped into five industries and “other” (see Table 7). Manufacturing businesses accounted for 232 contracts associated with New Jobs Tax Credit claims totaling $11.8 million, more than half of the total contracts with New Jobs Tax Credit claims and the total claim amount. However, the manufacturing industry accounts for an even larger share of all 260E contracts. For all businesses with 260E contracts in the manufacturing industry, New Jobs Tax Credit claims were associated with 30.4 percent, a lower share than businesses in the professional, scientific, and technical services industry (32.7%), the information industry (33.3%), and the construction industry (50.0%).

Grouping contracts in the IEDA database by industry results in 903 unique businesses participating in the 260E program in 2012 and later where 199 either made New Jobs Tax Credit claims or passed a New Jobs Tax Credit to shareholders (see Table 8). These counts are lower when businesses were presented by the associated community college because some businesses have contracts with multiple colleges and so would appear more than once in that presentation unlike the split by industry (see Table 6). Among these businesses, 123 (24.9%) were in the manufacturing industry, accounting for 61.8 percent of claims. The only industry with a higher participation by businesses was professional, scientific and technical services (27.4%), but those businesses accounted for only 3.2 percent of claims.

E. New Jobs Tax Credit Claims by Base Employment

Businesses with 260E contracts report their base employment level. Base employment is defined as the number of full-time jobs at a plant site which is covered by the 260E contract specified on an agreed date prior to the start of the contract. The 260E contracts in the IEDA database were divided into five groups based on the base employment level: zero base employment, 1 to 50, 51 to 200, 201 to 1,000, and 1,001 jobs and above.

Businesses with base employment between 51 and 200 were associated with New Jobs Tax Credits claims totaling $6.0 million in tax years 2006 through 2013, about 32.2 percent of the $18.7 million, the highest among all groups (see Table 9). However, the average claim per certificate was only $38,472 for this group, the third lowest among all groups. Businesses with base employment between 1 and 50 claimed $1.8 million in total (9.7%) and $16,606 on average, the lowest among all groups. The largest businesses, those with base employment of 1,001 and above, claimed an average of $138,788 per 260E contracts, the highest among all base employment groups.

VI. Employment Impact of New Jobs Tax Credit

A. Job Creation Associated with New Jobs Tax Credit Claims

Job creation data associated with the New Jobs Tax Credit claims were not captured so must be estimated. To analyze the number of jobs associated with initial earned tax credits over tax years 2006 through 2013, three different methods were used to estimate those jobs. The first method estimated the number of jobs created using the initial earned New Jobs Tax Credit claims divided by the maximum tax credit per job. This method assumes that wage levels of new jobs exceeded the qualifying taxable wage so that the business earned the maximum tax credit per job for every eligible job. The second method used job creation numbers reported to the associated community college by businesses with the 260E contracts. The third method used employment data reported in unemployment insurance records available from the Iowa Workforce Development (IWD) for all employers in Iowa. The three methods all have advantages and disadvantages.

To ensure the estimates generated from all three methods are comparable, the estimates were done using the same subset of businesses with New Jobs Tax Credit claims that could be matched to both the 260E awards database, the source of the self-reported job creation information, and IWD employment records available for 2013. There were 266 260E contracts in the subset of contracts associated with 4,465 initial earned tax credit claims totaling $17.4 million (see Table 10).

The first method used the per job New Jobs Tax Credit cap in each tax year and total initial earned tax credits to estimate the minimum level of job creation that should be associated with those claims. For each eligible new job, the New Jobs Tax Credit equals six percent of the taxable wages, up to the qualifying taxable wages. Businesses provide a projected wage for jobs they promise to create on the 260E contracts. Based on the 260E database as of October 2015, 75 percent of 260E contracts had a projected annual wage higher than $27,000. Qualifying taxable wages used to calculate the New Jobs Tax Credit were $21,300 in 2006 rising to $26,000 in 2013. Because most businesses with the New Jobs Tax Credit claims had higher projected wages for jobs created under 260E contracts than the maximum that can be used to calculate the tax credit, it is reasonable to assume that the New Jobs Tax Credit claim for each new job made by businesses equaled the tax credit cap per job. The tax credit cap per job increased from $1,278 per job in 2006 to $1,560 per job in 2013. Based on the tax credit parameters, an estimated 12,290 new jobs were created by businesses associated with claims in the available eight tax years (see Table 10). This estimate is likely a lower bound estimate because the actual earned claim for some jobs could be less than the maximum tax credit per job.

The second method used self-reported job creation data by businesses with 260E contracts as the estimate of the number of jobs created by businesses having made New Jobs Tax Credit claims. Businesses with 260E contracts are required to report to the associated community college their related job creation progress every year. Community colleges verify the reported number of created jobs using payroll records; IEDA also completes field audits to validate the self-reported job numbers. The self-reported job creation has been captured in the IEDA database since its inception in 2012. Because the period of available tax credit claim information is between 2006 and 2013, self-reported job creation data at the end of 2013 were used. Of the 266 businesses with New Jobs Tax Credit claims matched to a 260E contract, all reported more than ten percent employment growth as of 2013 for those with positive base employment. For businesses with zero employment, they all reported positive job creation (see Table 11). The total self-reported jobs created by these businesses were 14,258.

The third method used the Iowa Workforce Development database containing the Iowa unemployment insurance tax information, where the match was limited to employment available for 2013 to align with the time period available in the 260E database. For the 266 contracts, including specific location information, associated with New Jobs Tax Credit claims, the total number of jobs identified in the IWD database in 2013 were 52,132 (see Table 12). Using the total base employment reported in the 260E database of 34,114, the estimated number of jobs created as of 2013 was 18,018. This estimate is likely an upper bound estimate because jobs reported in the IWD database might include some jobs unrelated to the 260E contract and thus not likely eligible for the New Jobs Tax Credit.

One advantage of the third estimation method over the other two is that IWD database covers the whole sample period between 2006 and 2013 and can provide more details about the jobs created in the year of the initial New Jobs Tax Credit claim. In contrast, the self-reported job creation information for periods prior 2012 are not available while the maximum earned tax credit per job used in the first estimation method relies solely on the amount of tax credit claim itself to back out a job count and does not independently verify eligibility.

Taking advantage of the broader time period available in the IWD database, it is possible to match an additional 106 260E contracts identified with the New Jobs Tax Credit claims to IWD records available for the year in which the business made an initial claim to the tax credit (see Table 13). Businesses participating in these 372 260E contracts created an estimated 26,987 jobs by the time they claimed the initial tax credit during tax years 2006 through 2013. Businesses with base employment between 1 and 50 accounted for 36.6 percent of estimated created jobs (9,878), the highest share among all groups.

B. Employment at Businesses with and without New Jobs Tax Credit Claims

To examine the performance of businesses claiming New Jobs Tax Credits, the job creation estimated for the 372 260E contracts with employment data available in the IWD records was compared to job creation estimated for all other 260E contracts that were not associated with any claim but could be matched to IWD records. The businesses associated with 852 260E contracts without claims were estimated to have created a total of 32,305 jobs between 2006 and 2013 (see Table 14). Based on the IWD employment records, the average number of jobs created under the 372 contracts with a New Jobs Tax Credit claim was 73 jobs, much higher than the average 38 jobs per contract created by businesses participating in 206E program but not claiming New Jobs Tax Credits. This difference is not sufficient to prove that the tax credit resulted in higher job creation, but does suggest that claims are correlated with higher job creation.

To further analyze employment growth of businesses participating in the 260E program and claiming New Jobs Tax Credits compared to other businesses, the IWD data was used to measure annual employment growth rates. Employment growth at businesses with New Jobs Tax Credit claims in at least one tax year during the 2006 through 2013 period were compared with employment growth rates at businesses with 260E contracts but no income tax credit claims (see Figure 1). For further comparison, statewide employment growth rates measured by the Bureau of Labor Statistics are also presented. For those businesses participating in a 260E contract without New Jobs Tax Credit claims, employment levels between 2004 and

2014 at the locations specified in the contracts were extracted from the IWD database. Over all business locations, the median annual employment growth rate between 2005 and 2014 was calculated. The median employment growth rate of those businesses with New Jobs Tax Credit claims was calculated over the same time period using the same method.

What the analysis shows is that only in 2009, the depth of the recent recession, did the median employment growth rate of businesses with 260E contracts but no New Jobs Tax Credit claim fall below the statewide employment growth rate (see Figure 1). In all other years, the median employment growth rate for those businesses exceeded the statewide growth rate. The median employment growth rate for businesses with a New Jobs Tax Credit claim exceeded the statewide growth rate in all years including 2009. These findings are not surprising given the self-selection into the 260E program by businesses who are seeking to train existing employees and add new employees. Both median employment growth rates moved in lockstep, dropping below zero in 2009 and quickly returning to positive rates after the recession, although the highest median employment growth rate for businesses with New Jobs Tax Credit claims after the recession (8.1% in 2011) was well below the median growth rate in 2005 (11.2%). The higher median growth rates among 260E businesses with New Jobs Tax Credit claims relative to those with no associated claims suggests that this subset of businesses investing in training has higher employment growth, not just in the year that the tax credit was claimed, but across the ten year period.

C. Effectiveness of New Jobs Tax Credit Incentives

Although businesses with New Jobs Tax Credit claims experienced higher employment growth rates and experienced higher average job gains, these facts are not sufficient to prove that businesses were induced by the New Jobs Tax Credit to create more jobs in Iowa. As was seen earlier in this section, the utilization of the tax credit varies widely among associated community colleges and industry groups which suggested that claims might be driven by awareness and not claimed by all businesses that are eligible. This can be analyzed by comparing claiming behavior among all businesses that appear to meet the eligibility requirements of the New Jobs Tax Credits.

In 2013, out of the 912 businesses with 260E contracts identified to have at least ten percent job creation, based on self-reported job numbers, New Jobs Tax Credit claims were associated with only 301 (see Table 15). The majority of businesses with sufficient job growth either did not know about the New Jobs Tax Credit or decided the administrative cost of making a claim, such as additional tax preparer fees or resources needed to collect required data, exceeded the benefits. It is possible some of those businesses will eventually make a claim as the taxpayer can make a claim in any year when the job creation requirement is met that is covered by the 260E contract. However, the fact that two-thirds of apparently eligible businesses (611) have no associated claims to the New Jobs Tax Credit suggests that the New Jobs Tax Credit serves as more of a bonus for those taxpayers aware of the tax credit than an incentive to create jobs among all businesses participating in the 260E program.

If the New Jobs Tax Credit had been a strong incentive for businesses with 260E contracts to create jobs, the ratio of new jobs to base employment for those with a New Jobs Tax Credit claim (301) should exceed the ratio of new jobs to base employment for apparently eligible

260E businesses without a claim (611). Excluding those businesses reporting zero base employment, there were 259 260E contracts with New Jobs Tax Credit claims with the median ratio of new jobs to base employment of 35.4 percent (see Table 16). There were 459 eligible 260E contracts with non-zero base employment making no New Jobs Tax Credit claims. The median ratio of new jobs to base employment for these 459 contracts was 41.4 percent, higher than that of businesses with claims. To examine whether shares of new jobs for the 259 260E contracts with New Jobs Tax Credit claims were statistically different from shares for those 459 contracts or not, a t-test was used and the result was that shares of new jobs to base employment were not statistically different between these two groups. This outcome further suggests that the New Jobs Tax Credit was unlikely to have provided an incentive to create additional jobs.

As noted in Section II, for the entire period covered in this analysis, businesses creating jobs and making capital investments in Iowa may have been eligible for other tax incentive programs encouraging job creation in Iowa, such as the New Jobs and Income Program, the High Quality Jobs Program, or the Enterprise Zone Program. A business participating in one of those programs receives an award for Investment Tax Credits with the value dependent on the amount of investment and the number and quality of new jobs in Iowa. Unlike the New Jobs Tax Credit which is automatically available to a business meeting the eligibility criteria, a business must negotiate with IEDA and sign a contract establishing investment and job growth targets to receive an Investment Tax Credit award. If the same business also participates in the 260E program, often promoted as part of the marketing of those other State economic development programs, and meets the ten percent job creation requirement, the business could claim both the Investment Tax Credit and the New Jobs Tax Credit.

Total Investment Tax Credit claims made by all businesses between tax years 2006 and 2013 exceeded $191 million. Claims exceeded $35 million in tax year 2006, but dropped to an average of $25 million per year since 2009 (see Figure 2). Total New Jobs Tax Credit claims were only 11.5 percent of total Investment Tax Credit claims, and averaged only $2.3 million per year. This indicates that incentives claimed under the job creation programs awarded by IEDA far exceed the benefits that businesses receive by making claims to the New Jobs Tax Credit. However, many of those businesses who created jobs under IEDA programs and claimed Investment Tax Credits may not be eligible for the New Jobs Tax Credits if they did not also have a 260E contract.

For those businesses with 260E contracts, total Investment Tax Credit claims were $83.2 million between tax years 2006 and 2013. Annual total Investment Tax Credit claims by the businesses also participating in in the 260E program fluctuated between $5 million to $16 million, but were always higher than annual New Jobs Tax Credit claims (see Figure 3). However, this analysis includes less than 20 businesses with associated claims to both tax credits. This demonstrates that for this small subset, the Investment Tax Credit provides greater benefits so likely served as a greater incentive to create and maintain new jobs than the New Jobs Tax Credit.

VII. Conclusion

This evaluation study provides an overview and analysis of the Iowa New Jobs Tax Credit. The tax credit provides additional tax benefits for businesses participating in the Iowa Industrial New Jobs Training Program, more commonly referred to as the 260E program. It was shown that, on average, about $2.8 million of tax credits were claimed every year between 2006 and 2013. Although initial claims for this nonrefundable tax credit remained around $3 million or lower over the last eight years, the amount of tax credit carried forward from prior years dropped from over $12 million in tax year 2006 to $6 million in tax year 2013. The manufacturing sector claimed most of the New Jobs Tax Credits among all sectors. Businesses having claimed these tax credits were estimated to have created 27,000 jobs in Iowa through 2013.

This analysis estimated employment growth of businesses eligible for the tax credit and examined the effectiveness of the tax credit on inducing businesses to create more jobs. Based on several statistical analyses, this evaluation study found that eligible businesses with New Jobs Tax Credit claims experienced higher employment growth between 2004 and 2014 than those without tax credit claims. However, two-thirds of apparently eligible businesses did not claim the tax credit even though they had met the job creation thresholds. The ratio of created jobs to base employment for businesses with New Jobs Tax Credit claims also was not statistically different from the ratio measured for businesses eligible for the New Jobs Tax Credit but without associated tax credit claims.

This evaluation study contributes to an improved understanding of the New Jobs Tax Credit. It is emphasized that this analysis of the New Jobs Tax Credit is not an assessment of the 260E program or its effectiveness on job creation in Iowa. Although only businesses participating in the 260E program are eligible for the New Jobs Tax Credit, the functioning of the 260E program is not dependent on the availability or usage of the New Jobs Tax Credit.

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The Iowa New Jobs Tax Credit

Tables and Figures

Table 1. Neighboring State Tax Credit Programs for Job Creation

State	Name	Enactment Date	Tax Credit	Tax Type	Job Qualification	Industry Qualification	Clawback Provision	Transferable	Refundable	Credit Carry Forward
Illinois	Economic Development for a Growing Economy (EDGE) Credit	2009	A negotiable percentage of payroll of new jobs. Benefit period: 10 years	Income tax	At least 5 new jobs and $1 million of new investment for businesses with less than 100 employees; at least 25 new jobs and $5 million of new investment for others	Excluding retail and personal services	No	No	No	No
	Small Business Job Creation Tax Credit	2011	$2,500 per job	Payroll tax	New jobs created by small businesses with 50 or fewer employees	All eligible	No	No	No	No
Iowa	New Jobs Tax Credit	1985	6% of the taxable wage of eligible jobs up to qualifying taxable wage	Income tax	Businesses must have 260E contracts. Create new jobs if zero base employment or create at least 10% of base	Excluding retail, government entities, healthcare, and certain professional services	No	No	No	Yes, 10 years
Missouri	Missouri Quality Jobs	2005	Small businesses: 100% of the withholding tax of the new jobs for 3 years if the average wage of new jobs is 100-119% of county average wage or 5 years if the average wage is at least 120% of county average wage. Technology businesses: 5% of the payroll of the new jobs for 5 years plus average wage bonus. High Impact businesses: 3% of the payroll of the new jobs for 5 years plus average wage bonus and local incentives bonus. Limit for the whole program: $80 million per year	Payroll tax	For small business, 20 or more new jobs in rural areas, 40 or more new jobs in nonrural areas; For technology businesses, 10 or more new jobs; For high impact businesses,100 or more new jobs; Retained jobs may also be eligible	Excludes gambling, retail trade, food and drinking places, public utilities, educational services, religious organizations, and public administration companies	No	Yes	Yes	No

Table 1. (Continued) Neighboring State Tax Credit Programs for Job Creation

State	Name	Enactment Date	Tax Credit	Tax Type	Job Qualification	Industry Qualification	Clawback Provision	Transferable	Refundable	Credit Carry Forward
Nebraska	Nebraska Advantage Act	2006	For a tier 1, 2, 3, or 4 project: 3% of payroll of new employees if the average wage is at least 60% of the Nebraska average wage; 4% if it is at least 75% of the Nebraska average wage; 5% if it is at least 100% of the Nebraska average wage; 6% if it is at least 125% of the Nebraska average wage; effective 1/1/2009, exclude any employee with wage over of $1 million. For tier 2 or 4, the credit is 10% of the investment. For tier 1, 3% of the investment. For tier 6, 15% of the investment. For a tier 1, 3, or 6 project, benefit period: 10 years; For a tier 2, 4, or 5 project, benefit period: 7 years.	Payroll tax	Tier 1, investment of at least $1 million and the hiring of at least 10 new employees; Tier 2, investment of at least $3 million and the hiring of at least 30 new employees; Tier 3, the hiring of at least 30 new employees; Tier 4, investment of at least $10 million and the hiring of at least 100 new employees; Tier 5, investment of at least $30 million; and Tier 6 investment in qualified property of at least $10 million and the hiring of at least 75 new employees, or investment of at least $100 million and the hiring of at least 50 new employees.	For a tier 1 project: research; the assembly, fabrication, manufacture, or processing of tangible personal property; sale of software development services, computer systems design, product testing services, or guidance or surveillance; For a tier 2, tier 3, tier 4, or tier 5 project: data processing, telecommunication, insurance, or financial services; headquarter facilities; and storage, warehousing, distribution, transportation, or sale of tangible personal property. For a tier 6 project: any non-retail business	Yes	No	No	Yes, 9 years for a tier 1 or tier 3 project, 14 years for a tier 2 or tier 4 project, or 10 year for a tier 6 project.
Wisconsin	Jobs Tax Credit	2010	Negotiated, up to 10% of total wages paid to eligible employees and cost of job training up to 10 years	Income tax	Negotiated	Excluding loan companies; telemarketing; pawn shops; media businesses; retail; farms; medical facilities and financial institutions.	No	No	Yes	No

Source: Department of Revenue websites of Various States

Table 2. New Jobs Tax Credit Claims by Tax Type, Tax Years 2006-2013

Claims Against Individual Income Tax

Tax Year	Number of Claims	Share of Number of Claims	Claim Amount	Average Claim	Share of Claim Amount
2006	1,235	92.9%	$1,207,220	$978	35.0%
2007	1,322	94.2%	$1,741,396	$1,317	42.9%
2008	1,652	95.0%	$1,826,915	$1,106	54.9%
2009	1,658	95.6%	$1,517,761	$915	65.6%
2010	1,224	95.0%	$879,527	$719	28.1%
2011	1,106	95.2%	$1,202,339	$1,087	47.7%
2012	869	94.0%	$1,414,060	$1,627	63.5%
2013	671	92.0%	$745,232	$1,111	43.8%
Total	9,737	94.4%	$10,534,450	$1,082	46.4%

Claims Against Corporation Income Tax

Tax Year	Number of Claims	Share of Number of Claims	Claim Amount	Average Claim	Share of Claim Amount	Total Number of Claims	Total Claim Amount
2006	94	7.1%	$2,242,123	$23,852	65.0%	1,329	$3,449,343
2007	82	5.8%	$2,319,412	$28,286	57.1%	1,404	$4,060,808
2008	87	5.0%	$1,501,495	$17,259	45.1%	1,739	$3,328,410
2009	77	4.4%	$797,631	$10,359	34.4%	1,735	$2,315,392
2010	66	5.0%	$2,245,041	$35,079	71.9%	1,290	$3,124,568
2011	57	4.8%	$1,318,915	$23,552	52.3%	1,163	$2,521,254
2012	56	6.0%	$811,139	$14,748	36.5%	925	$2,225,199
2013	58	8.0%	$956,324	$16,488	56.2%	729	$1,701,556
Total	577	5.6%	$12,192,080	$21,130	53.6%	10,314	$22,726,530

Source: Withholding Tax Return and IA 148 Tax Credit Schedule information from Iowa Department of Revenue
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013.

Table 3. New Jobs Tax Credits Carried Forward, Initial Earned, and Applied, Tax Years 2006-2013

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of Initial Earned Tax Credits for Current Tax Year	Total Available Tax Credits for Current Tax Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount Carried Forward to Next Tax Year
2006	1,329	$12,448,804	$3,007,356	$15,456,160	$3,449,343	$176	$12,006,641
2007	1,404	$11,387,030	$3,278,425	$14,665,455	$4,060,808	$24,588	$10,580,106
2008	1,739	$10,819,672	$3,242,787	$14,062,459	$3,328,410	$93,573	$10,787,629
2009	1,735	$9,845,065	$1,951,064	$11,796,129	$2,315,392	$1,238,417	$8,242,373
2010	1,290	$8,082,327	$3,026,172	$11,108,499	$3,124,589	$132,725	$7,851,427
2011	1,163	$7,557,439	$2,771,900	$10,329,339	$2,521,254	$25,090	$7,784,484
2012	925	$7,279,809	$2,748,103	$10,027,912	$2,225,216	$10,314	$7,795,323
2013	729	$6,454,818	$1,556,655	$8,010,764	$1,701,518	$1,367,460	$4,959,227
Total	10,314		$21,582,462		$22,726,530	$2,892,343	
Average	1,289		$2,697,808		$2,840,816	$361,543	

Source: IA 148 Tax Credit Schedule information from Iowa Department of Revenue
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013.

Table 4. Matched New Jobs Tax Credits Carried Forward, Initial Earned, and Applied, Tax Years 2006-2013

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of Initial Earned Tax Credits for Current Tax Year	Total Available Tax Credits for Current Tax Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount Carried Forward to Next Tax Year
2006	916	$8,901,190	$2,128,056	$11,029,246	$2,478,718	$148	$8,550,380
2007	907	$8,955,376	$2,410,143	$11,365,519	$3,521,116	$0	$7,844,446
2008	1,322	$7,730,247	$2,662,225	$10,392,472	$2,549,311	$93,571	$7,749,626
2009	1,339	$6,831,832	$1,557,422	$8,389,254	$2,012,687	$469,937	$5,906,683
2010	982	$5,947,189	$2,408,820	$8,356,009	$2,909,548	$25,704	$5,420,757
2011	874	$5,617,925	$2,510,049	$8,127,974	$2,126,413	$25,090	$5,976,584
2012	691	$5,255,881	$2,569,143	$7,825,024	$1,872,856	$10,314	$5,944,795
2013	540	$4,646,337	$1,194,671	$5,840,299	$1,264,919	$1,367,460	$3,223,428
Total	7,571		$17,440,529		$18,735,568	$1,992,224	

Source: 260E awards data from Iowa Economic Development Authority and IA 148 Tax Credit Schedule information from Iowa Department of Revenue

Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013. This table only includes claims that can be matched to 260E contracts.

Table 5. New Jobs Tax Credit Claims and Number of 260E Contracts by Associated Community College

Community College	Total Number of 260E Contracts	Number of 260E Contracts with New Jobs Tax Credit Claims	Distribution of 260E Contracts with New Jobs Tax Credit Claims	Share of 260E Contracts with New Jobs Tax Credit Claims to Total Number	Total Claims	Average Aggregated Claim Per Contract	Distribution of Claims
Des Moines Area Community College	302	89	20.8%	29.5%	$3,326,660	$37,378	17.8%
Eastern Iowa Community College	185	45	10.5%	24.3%	$2,081,635	$46,259	11.1%
Hawkeye Community College	151	38	8.9%	25.2%	$1,411,663	$37,149	7.5%
Iowa Central Community College	33	16	3.7%	48.5%	$1,144,450	$71,528	6.1%
Iowa Valley Community College	26	8	1.9%	30.8%	$517,325	$64,666	2.8%
Iowa Western Community College	31	6	1.4%	19.4%	$208,676	$34,779	1.1%
Kirkwood Community College	216	111	26.0%	51.4%	$4,001,794	$36,052	21.4%
North Iowa Area Community College	65	11	2.6%	16.9%	$207,711	$18,883	1.1%
Northeast Iowa Community College	171	44	10.3%	25.7%	$2,668,006	$60,637	14.2%
Northwest Iowa Community College	43	24	5.6%	55.8%	$782,960	$32,623	4.2%
Western Iowa Tech Community College	60	18	4.2%	30.0%	$1,061,784	$58,988	5.7%
Other Community Colleges	142	17	4.0%	12.0%	$1,322,835	$77,814	7.1%
Total	1,425	427	100.0%	30.0%	$18,735,499	$43,877	100.0%

Source: 260E award database from IEDA and IA 148 Tax Credit Schedule information from Iowa Department of Revenue
Notes: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013. Only claims that can be matched with 260E contracts were included. “Other community colleges” includes Indian Hills Community College, Southeastern Community College, Southwestern Community College, and Iowa Lakes Community College.

Table 6. New Jobs Tax Credit Claims and Number of Businesses by Associated Community College

Community College	Number of Businesses with 260E Contracts	Number of Businesses with New Jobs Tax Credit Claims	Distribution of Businesses with New Jobs Tax Credit Claims	Share of Businesses with New Jobs Tax Credit Claims to Total Number	Total Claims	Average Aggregated Claim Per Business	Distribution of Claims
Des Moines Area Community College	184	41	18.7%	22.3%	$3,326,660	$81,138	17.8%
Eastern Iowa Community College	119	26	11.9%	21.8%	$2,081,635	$80,063	11.1%
Hawkeye Community College	111	21	9.6%	18.9%	$1,411,663	$67,222	7.5%
Iowa Central Community College	25	11	5.0%	44.0%	$1,144,450	$104,041	6.1%
Iowa Valley Community College	22	6	2.7%	27.3%	$517,325	$86,221	2.8%
Kirkwood Community College	119	45	20.5%	37.8%	$4,001,794	$88,929	21.4%
North Iowa Area Community College	50	8	3.7%	16.0%	$207,711	$25,964	1.1%
Northeast Iowa Community College	110	21	9.6%	19.1%	$2,668,006	$127,048	14.2%
Northwest Iowa Community College	28	15	6.8%	53.6%	$782,960	$52,197	4.2%
Western Iowa Tech Community College	43	9	4.1%	20.9%	$1,061,784	$117,976	5.7%
Other Community Colleges	127	16	7.3%	12.6%	$1,531,511	$95,719	8.2%
Total	938	219	100.0%	23.3%	$18,735,499	$85,550	100.0%

Source: 260E award database from IEDA and IA 148 Tax Credit Schedule information from Iowa Department of Revenue
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013. Only claims that can be matched with certificates were included. “Other community colleges” includes Indian Hills Community College, Southeastern Community College, Southwestern Community College, and Iowa Lakes Community College.

Table 7. New Jobs Tax Credit Claims and Number of 260E Contracts by Industry

Industry	Total Number of 260E Contracts	Number of 260E Contracts with New Jobs Tax Credit Claims	Distribution of 260E Contracts with New Jobs Tax Credit Claims	Share of 260E Contracts with New Jobs Tax Credit Claims to Total Number	Total Claims	Average Claim Per Contract	Distribution of Claims
Manufacturing	763	234	54.8%	30.7%	$11,442,368	$48,899	61.1%
Professional, Scientific, and Technical Services	156	52	12.2%	33.3%	$604,581	$11,627	3.2%
Information	60	20	4.7%	33.3%	$1,018,969	$50,948	5.4%
Finance and Insurance	81	21	4.9%	25.9%	$587,513	$27,977	3.1%
Construction	50	27	6.3%	54.0%	$315,472	$11,684	1.7%
Other Industries	315	73	17.1%	23.2%	$4,766,596	$65,296	25.4%
Total	1,425	427	100.0%	30.0%	$18,735,499	$43,877	100.0%

Source: 260E award database from IEDA. Withholding Tax Return and IA 148 Tax Credit Schedule information from Iowa Department of Revenue
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013.

Table 8. New Jobs Tax Credit Claims and Number of Businesses by Industry

Industry	Total Number of Businesses with 260E Contracts	Number of Businesses with New Jobs Tax Credit Claims	Distribution of Businesses with New Jobs Tax Credit Claims	Share of Businesses with New Jobs Tax Credit Claims to Total Number	Total Claims	Average Claim Per Business	Distribution of Claims
Manufacturing	494	123	61.8%	24.9%	$11,442,368	$93,027	61.1%
Professional, Scientific, and Technical Services	84	23	11.6%	27.4%	$604,581	$26,286	3.2%
Information	33	8	4.0%	24.2%	$1,018,969	$127,371	5.4%
Finance and Insurance	47	6	3.0%	12.8%	$587,513	$97,919	3.1%
Construction	40	9	4.5%	22.5%	$315,472	$35,052	1.7%
Other Industries	205	30	15.1%	14.6%	$4,766,596	$158,887	25.4%
Total	903	199	100.0%	22.0%	$18,735,499	$94,148	100.0%

Source: 260E award database from Iowa Economic Development Authority. Withholding Tax Return and IA 148 Tax Credit Schedule information from Iowa Department of Revenue

Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013. The count of businesses differs from Table 6 because businesses participating with multiple community colleges that were counted under each college in Table 6 are only counted once when categorized by industry.

Table 9. New Jobs Tax Credit Claims and Number of 260E Contracts by Base Employment Level

Base Employment	Total Number of 260E Contracts	Number of 260E Contracts with New Jobs Tax Credit Claims	Total Claims	Distribution of Claims	Share of 260E Contracts with New Jobs Tax Credit Claims to Total Number	Average Claim Per Contract
0	254	54	$2,984,146	15.9%	21.3%	$55,262
1 to 50	435	112	$1,810,094	9.7%	25.7%	$16,162
51 to 200	399	160	$6,040,171	32.2%	40.1%	$37,751
201 to 1,000	274	77	$4,570,182	24.4%	28.1%	$59,353
1,001 and Above	63	24	$3,330,905	17.8%	38.1%	$138,788
Total	1,425	427	$18,735,499	100.0%	30.0%	$43,877

Source: 260E award database from Iowa Economic Development Authority. IA 148 Tax Credit Schedule information from Iowa Department of Revenue.
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013.

Table 10. Estimated New Jobs using Initial Earned New Jobs Tax Credit Amounts, Tax Years 2006-2013

Tax Year	Total Initial Earned Tax Credit Amount	IWD Qualifying Taxable Wage	Tax Credit Cap Per Job	Estimated Number of Created Jobs
2006	$2,119,343	$21,300	$1,278	1,658
2007	$2,384,096	$22,000	$1,320	1,806
2008	$2,662,225	$22,800	$1,368	1,946
2009	$1,557,405	$23,700	$1,422	1,095
2010	$2,408,474	$24,500	$1,470	1,638
2011	$2,504,701	$24,700	$1,482	1,690
2012	$2,564,997	$25,300	$1,518	1,690
2013	$1,194,671	$26,000	$1,560	766
Total	$17,395,912			12,290

Source: 260E award database from Iowa Economic Development Authority. Qualifying taxable wages from Iowa Workforce Development. IA 148 Tax Credit Schedule information from Iowa Department of Revenue.
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013. Includes only claims that were matched with a 260E contract and records in IWD database in 2013.

Table 11. Self-Reported Created Jobs as of 2013 by Businesses with Initial Earned New Jobs Tax Credit Claims in Tax Years 2006-2013

Base Employment	Number of 260E Contracts in 2013	Total Base Employment	Self-Reported Created Jobs by Businesses as of 2013	Distribution of Self-Reported Created Jobs	Median Ratio of Self-Reported Created Jobs to Base Employment	Average Created Jobs Per Contract
0	33	0	2,792	19.6%		85
1 to 50	75	1,710	2,084	14.6%	77.8%	28
51 to 200	117	13,201	4,619	32.4%	26.3%	39
201 and Above	41	19,203	4,764	33.4%	21.8%	116
Total	266	34,114	14,258	100.0%	32.9%	54

Source: 260E award database from Iowa Economic Development Authority. Unemployment Insurance fund records from Iowa Workforce Development. IA 148 Tax Credit Schedule information from Iowa Department of Revenue.
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013.Includes only claims that were matched to a 260E contract and with records in IWD database in 2013.

Table 12. Increased Jobs Based on Iowa Workforce Development Records in 2013 by Businesses with Initial Earned New Jobs Tax Credit Claims in Tax Years 2006-2013

Base Employment	Number of 260E Contracts in 2013	Total Base Employment	Total Number of Jobs Reported in IWD Database in 2013	Number of Increased Jobs in IWD Database	Distribution of Increased Jobs	Median Growth Rate of IWD Employment to Base Employment
0	33	0	2,522	2,522	14.0%	
1 to 50	75	1,710	6,586	4,876	27.1%	65.5%
51 to 200	117	13,201	14,894	1,693	9.4%	18.2%
201 and Above	41	19,203	28,131	8,928	49.5%	21.6%
Total	266	34,114	52,132	18,018	100.0%	33.8%

Source: 260E award database from Iowa Economic Development Authority. Unemployment Insurance fund records from Iowa Workforce Development. IA 148 Tax Credit Schedule information from Iowa Department of Revenue.
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013. Includes only claims that were matched to a 260E contract and with records in IWD database in 2013.

Table 13. Increased Jobs Based on Iowa Workforce Development Records in Year of Initial Claim by Businesses with Initial Earned New Jobs Tax Credit Claims in Tax Years 2006-2013

Base Employment	Number of 260E Contracts	Total Number of Base Employment	Total Average Annual Jobs Reported in IWD Database	Difference between Reported Jobs and Base Employment	Distribution of Jobs Created
0	41	0	3,983	3,983	14.8%
1 to 50	90	2,063	11,941	9,878	36.6%
51 to 200	152	17,126	22,662	5,536	20.5%
201 to 1,000	68	24,565	30,585	6,020	22.3%
1,001 and Above	21	54,303	55,874	1,571	5.8%
Total	372	98,057	125,044	26,987	100.0%

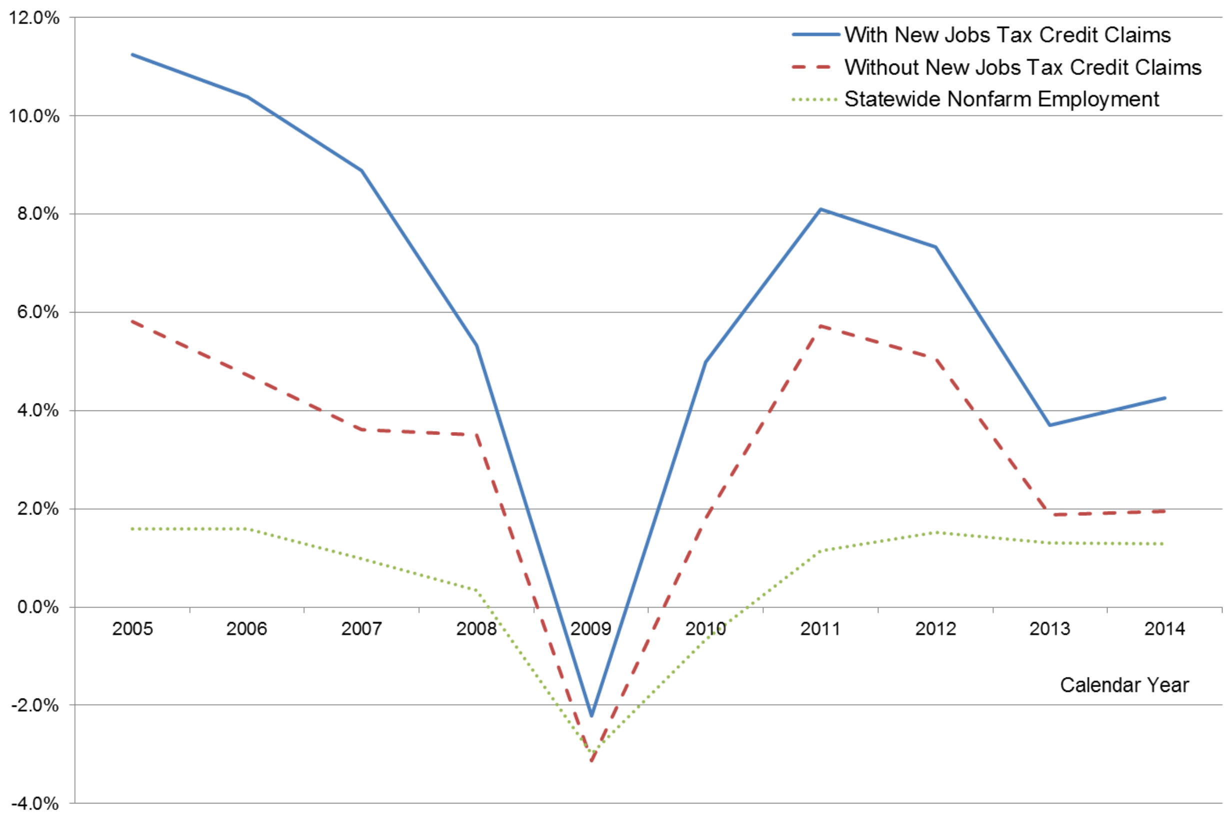
Source: 260E award database from Iowa Economic Development Authority. Unemployment Insurance fund records from Iowa Workforce Development. IA 148 Tax Credit Schedule information from Iowa Department of Revenue.
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013. Includes 260E contracts associated with claims that could be matched with any records in IWD database between 2004 and 2014.

Table 14. Increased Jobs Based on Iowa Workforce Development Records for 260E Contracts with and without New Jobs Tax Credit Claims

	With New Jobs Tax Credit Claim			Without New Jobs Tax Credit Claim		
Number of Base Employment	Number of 260E Contracts	Jobs Created	Average Jobs Created	Number of 260E Contracts	Jobs Created	Average Jobs Created
0	41	3,983	97	142	10,279	72
1 to 50	90	9,878	110	283	11,589	41
51 to 200	152	5,536	36	215	6,652	31
201 to 1,000	68	6,020	89	181	2,217	12
1,001 and Above	21	1,571	75	31	1,568	51
Total	372	26,987	73	852	32,305	38

Source: 260E award database from Iowa Economic Development Authority. Unemployment Insurance fund records from Iowa Workforce Development. IA 148 Tax Credit Schedule information from Iowa Department of Revenue
Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013. Includes only contracts that can be matched with records in IWD database between 2004 and 2014.

Figure 1. Annual Median Employment Growth Rates among Businesses with and without New Jobs Tax Credit Claims, Years 2005-2014



Source: 260E award database from Iowa Economic Development Authority, Unemployment Insurance fund records from Iowa Workforce Development, and Bureau of Labor Statistics.

Table 15. New Jobs Tax Credit Claiming Behavior of Eligible Businesses in 2013

Number of Base Employment	Number of 260E Contracts Eligible for New Jobs Tax Credit by 2013	Number of 260E Contracts with New Jobs Tax Credit Claims by 2013	Share of Eligible 260E Contracts with Claims
0	194	42	21.6%
1 to 50	307	94	30.6%
51 to 200	268	120	44.8%
201 and Above	143	45	31.5%
Total	912	301	33.0%

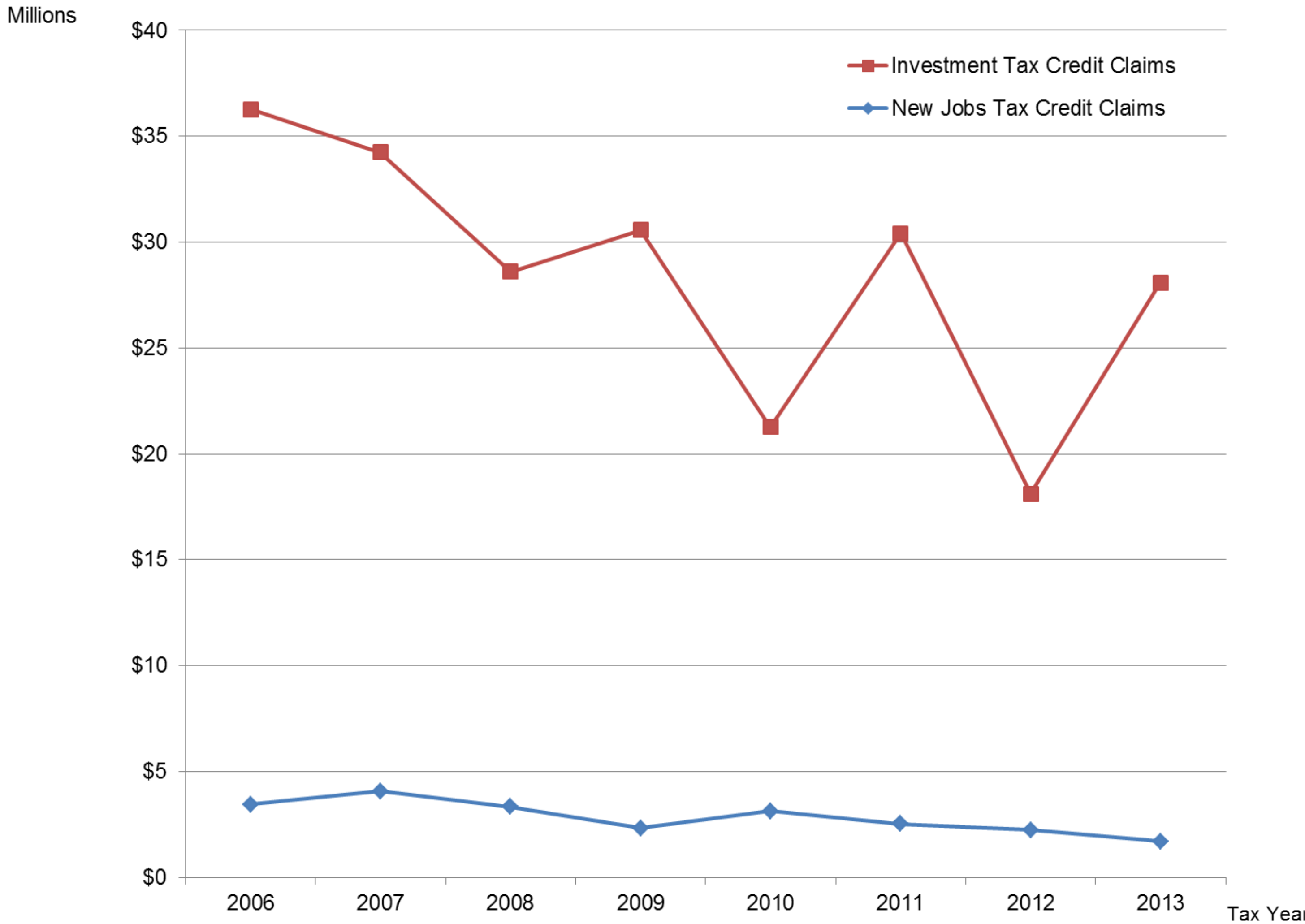
Source: 260E award database from Iowa Economic Development Authority. IA 148 Tax Credit Schedule information from Iowa Department of Revenue.
Note: Includes only claims that can be matched to a 260E contract. Eligibility based on self-reported job creation in the 260E database.

Table 16. Median Ratio of New Jobs to Base Employment for Eligible Businesses in 2013

	Eligible 260E Contracts with Claims			Eligible 260E Contracts without Claims		
Ratio of New Jobs to Base Employment	Number of 260 Contracts	Distribution of 260E Contracts	Median Ratio	Number of 260 Contracts	Distribution of 260E Contracts	Median Ratio
Between 10% and 20%	61	23.6%	15.0%	100	21.8%	15.0%
Between 20% and 40%	86	33.2%	28.7%	128	27.9%	28.5%
Between 40% and 60%	39	15.1%	47.1%	71	15.5%	50.0%
Between 60% and 80%	16	6.2%	69.7%	30	6.5%	71.9%
Above 80%	57	22.0%	143.8%	130	28.3%	177.5%
All Eligible Businesses	259	100.0%	35.4%	459	100.0%	41.4%
p-value (t-test):	0.2116					

Source: 260E award database from Iowa Economic Development Authority. IA 148 Tax Credit Schedule information from Iowa Department of Revenue.
Note: Includes only claims that can be matched to a 260E contract with non-zero base employment. Eligibility based on self-reported job creation in the 260E database.

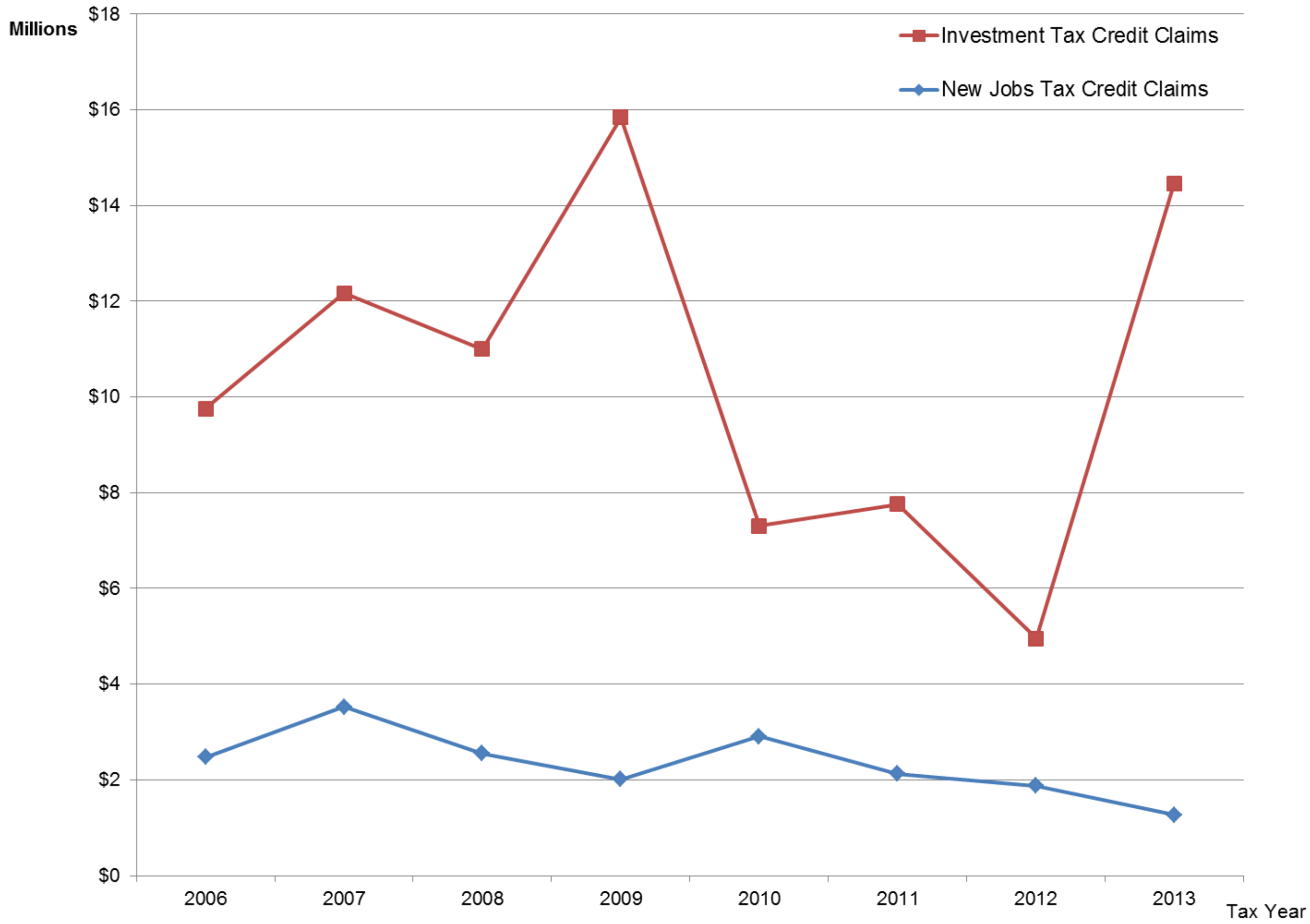
Figure 2. Total New Jobs Tax Credit and Investment Tax Credit Claims for All Businesses by Tax Year



Source: 260E award database from IEDA. Withholding Tax Return and IA 148 Tax Credit Schedule information from Iowa Department of Revenue

Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013.

Figure 3. Total New Jobs Tax Credit and Investment Tax Credit Claims for Businesses with any New Jobs Tax Credit Claim by Tax Year



Source: 260E award database from IEDA. Withholding Tax Return and IA 148 Tax Credit Schedule information from Iowa Department of Revenue

Note: IA 148 Tax Credit Schedule verification and collection is incomplete for tax year 2013.