



Iowa Department of **REVENUE**

Tax Credits Contingent Liabilities Report

December 12, 2019

The Tax Credits Contingent Liabilities Report was created by the Tax Research and Program Analysis Section of the Iowa Department of Revenue (IDR) for the benefit of the Revenue Estimating Conference (REC). This report is part of the Tax Credits Tracking and Analysis Program. The goal of the program is to provide a repository for information concerning the awarding, usage, and effectiveness of tax credits.

Summary

- Tax credit awards in FY 2019 decreased 17.7 percent from FY 2018 to \$201.9 million. FY 2019 awards were 35.6 percent below FY 2012, when tax credit awards reached \$313.6 million (see Table 1). Although the number of awarded tax credits in FY 2019 was 19 compared to 17 in FY 2012, the decline in the total value of awards can be attributed to several programs being repealed. Awards in FY 2020 to-date total \$97.0 million, although many programs have not yet issued any or all current year awards.
- Nonrefundable and refundable tax credit claims reported on the IA 148 Tax Credits Schedule against individual income, corporation income, insurance premium, franchise, replacement, moneys and credits, and sales and use taxes for tax year 2016, the most recent year with complete data, were \$297.7 million, up from \$272.9 million in tax year 2015.
- Sales and use tax refunds under EDA tax credit programs totaled \$28.1 million in FY 2019, which was an increase from \$26.1 million in FY 2018 measured on an accrual basis (see Table 5). To date, \$2.0 million in sales and use tax refunds have been issued. In FY 2019, an additional \$42.4 million in tax credit claims were made against individual withholding tax (see Table 6).
- The estimated contingent liability of all tax credits is \$508.8 million for FY 2020, \$517.0 million for FY 2021, and \$512.6 million for FY 2022 (see Table 8). Expected claims for all tax credits, based on historical information showing some tax credit awards are not always fully claimed, are \$428.3 million for FY 2020, \$435.5 million for FY 2021 and \$420.3 million for FY 2022 (see Table 9).
- Contingent liability and expected claims projections for most credits are based on historical claims data from the IA 148 Tax Credits Schedule. Because claims data are constantly updated, these forecasts will change based on the best data available at the time. Updated information about tax credit awards from awarding agencies, including awards that have been either revoked, declined, or modified, will also change the estimates.

Tax Credit Awards

Iowa has two categories of tax credits: automatic and awarded. Awarded credits require application and a specific award in order for a taxpayer to claim the credit. The total amount of the awarded credits may also be capped. Automatic credits may be claimed by any eligible taxpayer and the total amount of claims has no limit or cap. More information about each of Iowa's tax credit programs can be found in the Appendix at the end of this report and in the [Tax Credits User's Manual](#).

The amount of awarded tax credits reached a peak in FY 2012 due to higher utilization of existing tax credit programs (see Table 1). The substantial increase during FY 2012 was mainly due to a large award made under the High Quality Jobs Program. Tax credit awards were at their lowest level in the last ten years in FY 2011.

Total FY 2019 awards decreased 17.7 percent compared to FY 2018 awards. The program with the largest percent increase in awards for FY 2019 was the Farm to Food Tax Credit, which increased over 170 percent from FY 2018, although the total of awards in FY 2019 was just over \$30,000. The Targeted Jobs Tax Credit from Withholding awards decreased over 94 percent in FY 2019 from FY 2018, this is primarily due to a large award issued in FY 2018. Awards made to-date in FY 2020 total \$97.0 million with many programs still issuing awards.

Tax Credit Claims

Between tax years 2010 and 2017, individual income tax credit claims averaged \$220.5 million per year (see Table 2). Total individual income tax credit claims in 2017 increased 1.0 percent from claims made in 2016 with the rise reflecting increases in "other refundable" tax credit claims.

The majority of tax credit claims made against corporation income tax are for the Research Activities Tax Credit. In tax years 2001 through 2005, Research Activities Tax Credit claims accounted for over 80 percent of the dollars of all corporation income tax credit claims. Since 2008, the Research Activities Tax Credit has accounted for almost 53 percent of the total credits. The drop resulted from growth in the amount of "Other Credits" claimed. "Other Credits" claims historically accounted for 5 to 10 percent of all corporation claims; in tax years 2008 through 2015 as new credits were introduced, those claims accounted for over 45 percent of corporation tax credit claims. Tax year 2016 is the most recent complete year of claim data.

With the implementation of the IA 148 Tax Credits Schedule in tax year 2006 the availability of detailed income tax credit claim data has improved; note that withholding tax credits and sales and use refunds are tracked separately. In tax years 2006 through 2016, on average, 72 percent of nonrefundable tax credit claims made on the IA 148 were claimed against individual income tax (see Table 3). In those years, nonrefundable tax credit claims were made against corporation income, franchise (levied on banks), individual income, insurance premium, moneys and credits (levied on credit unions), replacement, and sales and use taxes. The majority of IA 148 refundable tax credit claims made between 2006 and 2016

were claimed against corporation income tax, averaging just over 72 percent of all refundable tax credit claims (see Table 4). Since 2006, refundable tax credit claims made on the IA 148 have been claimed against corporation income, franchise, individual income, insurance premium, and replacement taxes.

Sales and Use Tax Refunds for Tax Credit Programs

As part of the Enterprise Zone (including the Housing component), the High Quality Jobs Programs, and the Workforce Housing Tax Incentive Program, taxpayers are allowed to file for refunds of sales and use taxes paid by contractors and subcontractors after construction is completed. The New Capital Investment and New Job and Income Programs, predecessors to the High Quality Jobs Program, also included sales and use tax refund awards. The first refunds were made during FY 2000 through the Enterprise Zone Program (see Table 5). Refunds reached an all-time high in FY 2019 when they exceeded \$28.1 million, which was a 7.8 percent increase over FY 2018. These refunds are reported on an accrual basis (refunds issued September through August) in line with the period for which the REC forecasts General Fund refunds. Year-to-date refunds for fiscal year 2020 are \$2.0 million.

Tax Credits from Withholding

There are four tax credits that can be claimed against the withholding tax. The largest program is the Iowa Industrial New Jobs Program (260E) that includes both the New Jobs Tax Credit and the Supplemental New Jobs Tax Credit. These two credits support employers' training of new employees. The Accelerated Career Education (ACE) Tax Credit is awarded to employers who sponsor training slots at community colleges. The Targeted Jobs Tax Credit is a withholding tax credit for jobs meeting certain requirements in targeted communities in the state of Iowa. These tax credit programs divert the credited withholding tax to the participating community college or city.

The withholding credits are reported on a quarterly basis. Information on withholding tax credit claims is presented since the December 2014 quarter (see Table 6). Withholding tax credit claims have averaged \$47.2 million each fiscal year between 2015 and 2019. It is apparent that total withholding credits are strongly driven by the New Jobs Tax Credit (260E) (see Figure 1).

On average, there have been \$41.3 million of New Jobs Tax Credits awarded each year since the program's inception in FY 2001. However, awards had fallen below that average for the five fiscal years prior to 2018 (see Table 7). In addition, participants in the 260E program with sufficient job creation are eligible to claim an income tax credit; the amount of the income tax credits claimed is included in Table 7.

Tax Credit Contingent Liabilities Projection

Forecasts of the liability facing General Fund revenues due to tax credits show an upward trend in potential tax credit claims (see Table 8). The contingent liability amounts were estimated using a number of methods, but in all cases it was assumed that 100 percent of awards under a cap would be made each fiscal year unless an awarding agency indicates otherwise. It is also assumed that 100 percent of awards issued would be claimed; for Investment Tax Credit awards near expiration it is assumed that 100 percent of reported carry forward would be claimed, with the timing of claims based on the observed timing of past claims. The methods used for forecasting each tax credit are listed in the table footnotes.

Based on the award history and current information, the FY 2020 allocation of the \$170 million EDA cap is: High Quality Jobs Program - \$105 million, Workforce Housing Tax Incentive Program - \$25 million, Redevelopment Tax Credit - \$10 million, Renewable Chemical Production Tax Credit Program - \$10 million, Venture Capital Tax Credit – Innovation Fund - \$8 million, Venture Capital Tax Credit – Qualifying Business - \$2 million, and Assistive Device Tax Credit - \$0; the remainder is to be unallocated to finance expected costs of the Renewable Chemical Production Tax Credit enacted during the 2016 Legislative session.

The Tax Credit Contingent Liabilities Projection table is based in large part on claim data that has been collected from the IA 148 Tax Credits Schedule. The information collected from the IA 148 is used to estimate the timing of when awards or forecasted automatic tax credits are likely to be claimed. In the case of nonrefundable tax credits, the timing may be adjusted in order to meet the assumption that 100 percent of credits are claimed before expiration. Due to the nature of this data it is likely that credit forecasts will vary between reports as the forecasted timing is updated with the receipt and verification of more data.

The historical numbers provided are actual claims made against each of the tax credits on the IA 148 or the IA 1040, although FY 2019 numbers are likely to increase marginally as tax credit claims continue to be verified. Actual claims may not equal the amount of awards issued. If incorrect tax credit claims are made, these claims are reviewed by IDR staff. The historical numbers for fiscal years 2016 and 2017 may also change as the review of tax credit claims in these years continues.

It should be noted that since the October report two credits were moved from Uncapped Programs to Capped Programs. The first tax credit that was moved is the Geothermal Heat Pump Tax Credit for which a tax credit cap was instituted for 2019 and later. The other tax credit that was moved is the Supplemental Research Activities Tax Credit which falls under the EDA tax credit cap.

Tax Credit Expected Claims Projection

Forecasts of expected tax credit claims are based on historical claims data and expected awards data and indicate that tax credit claims will likely continue to increase before decreasing in later years as several tax credits expire (see Table 9). This table presents the amounts of tax credits that are likely to be claimed versus the maximum amount of credits that can be claimed as shown in Table 8. The amounts of expected claims were forecasted using a number of methods listed in the table footnotes.

The historical numbers provided are the same numbers presented in Table 8. The primary difference between the Contingent Liabilities Projection (Table 8) and the Expected Claims Projection is the amount of awarded credits that are actually expected to be awarded and claimed. For example, the amounts presented in Table 8 for the Accelerated Career Education Tax Credit are reduced from the full cap amount in Table 9 as historically less than 100 percent of the awards made are actually claimed. The aggregate difference between contingent liabilities and expected claims estimates can be seen in Figure 2.

The Expected Claims Projection table, like the Contingent Liabilities Projection table, is based in large part on claims data that has been collected from the IA 148 Tax Credits Schedule. The information collected from the IA 148 is used to estimate the timing of when awards are likely to be claimed. The IA 148 data is also used to estimate the percentage of nonrefundable credits that will be claimed before they expire. Unlike the Contingent Liabilities Projection, it is not assumed that 100 percent of credits will be claimed unless that is what is reflected by actual claims. Due to the nature of this data it is likely that credit forecasts will vary between reports as the timing and estimated percentage claimed changes with receipt and verification of more data.

Table 1: Tax Credit Awards by Fiscal Year

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Accelerated Career Education Program (ACE) [†]	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$0
Assistive Device Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Farmer Tax Credit ¹	\$3,598,502	\$5,222,987	\$5,756,759	\$5,981,266	\$6,508,811	\$6,959,738	\$8,505,027	\$9,568,673	\$5,989,112	\$0
Custom Farming Contract Tax Credit [†]	n/a	n/a	n/a	\$28,975	\$30,046	\$89,704	\$114,786	\$16,595	n/a	n/a
Endow Iowa Tax Credit ^{††}	\$3,461,445	\$4,523,397	\$5,779,542	\$5,999,996	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Enterprise Zone Program [†]	\$28,562,725	\$6,569,013	\$6,340,963	\$16,549,566	n/a	n/a	n/a	n/a	n/a	n/a
Enterprise Zone Program - Housing Component [†]	\$7,417,582	\$16,780,850	\$25,400,528	\$48,263,578	n/a	n/a	n/a	n/a	n/a	n/a
Farm to Food Donation Tax Credit	n/a	n/a	n/a	n/a	\$12,500	\$14,089	\$9,097	\$11,083	\$30,416	\$0
Film, Television, And Video Project Promotion Program [†]	\$6,973,408	\$14,644,071	\$89,047	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Geothermal Heat Pump Tax Credit (Awarded)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$131,228
High Quality Jobs Program [†]	\$28,509,910	\$144,378,886	\$116,746,179	\$42,568,140	\$50,478,792	\$61,333,580	\$45,150,681	\$66,513,787	\$43,013,586	\$9,520,059
Historic Preservation Tax Credit [†]	\$44,867,467	\$44,703,623	\$26,960,281	\$35,625,483	\$39,022,230	\$65,679,991	\$45,899,311	\$45,407,164	\$44,313,711	\$41,191,862
Iowa Industrial New Jobs Training Program (260E)	\$40,755,000	\$48,500,000	\$35,655,727	\$38,667,132	\$39,860,995	\$40,294,972	\$38,167,000	\$44,595,000	\$37,985,000	\$0
Redevelopment Tax Credit [†]	n/a	\$4,925,103	\$4,915,688	\$9,851,383	\$9,607,495	\$9,924,043	\$8,939,172	\$9,842,165	\$10,000,000	\$10,000,000
Renewable Chemical Production Tax Credit Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$542,114	\$1,000,000	\$0
Renewable Energy Tax Credit [†]	\$2,503,361	\$3,011,408	\$4,166,208	\$5,629,134	\$5,404,123	\$4,866,378	\$5,079,895	\$4,663,003	\$4,875,294	\$0
School Tuition Organization Tax Credit ^{††}	\$7,499,992	\$7,499,414	\$8,749,061	\$8,748,680	\$11,999,190	\$12,000,000	\$12,000,000	\$12,000,206	\$11,948,358	\$2,936,666
Solar Energy System Tax Credit [†]	n/a	n/a	\$652,144	\$1,498,364	\$4,411,891	\$5,083,754	\$4,976,308	\$4,987,715	\$4,949,280	\$0
Targeted Jobs Tax Credit from Withholding	\$14,911,793	\$6,113,937	\$9,685,051	\$0	\$2,214,081	\$705,900	\$2,444,293	\$10,298,240	\$562,773	\$0
Venture Capital Tax Credit - Fund of Funds [†]	\$0	\$0	\$11,295,681	\$12,772,951	\$0	\$358,689	\$756,169	\$0	\$0	\$0
Venture Capital Tax Credit - Innovation Fund [†]	n/a	n/a	\$0	\$890,590	\$2,767,519	\$1,652,922	\$1,066,888	\$1,849,865	\$2,303,962	\$234,534
Venture Capital Tax Credit - Qualifying Business [†]	\$96,000	\$598,832	\$545,425	\$0	\$0	\$1,234,707	\$1,999,001	\$2,000,000	\$2,000,000	\$2,000,000
Wage Benefit Tax Credit [†]	\$4,000,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wind Energy Production Tax Credit [†]	\$726,025	\$763,797	\$1,582,498	\$1,577,165	\$1,669,737	\$1,650,877	\$1,657,604	\$1,601,299	\$1,505,870	\$0
Workforce Housing Tax Incentive Program - Allocated [†]	n/a	n/a	n/a	n/a	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$25,000,000
Workforce Housing Tax Incentive Program Awarded (not included in total) ^{††2}	n/a	n/a	n/a	n/a	\$0	\$0	\$6,065,781	\$18,132,251	\$19,578,171	\$10,472,135
Total Credits Awarded Each Fiscal Year	\$199,283,210	\$313,635,318	\$269,720,782	\$240,052,403	\$205,387,410	\$243,249,344	\$208,165,232	\$245,296,909	\$201,877,362	\$97,014,349

¹ Awards made on CY basis, but reflected in first FY in which the credits can be claimed.

² The Workforce Housing Tax Incentive Program currently is subject to two caps, one on allocations and one on the issuance of awards. Activity under both is presented in the table but only the allocated awards are included in the total because that cap is in line with many other awarded tax credits.

Source: Tax Credit Award, Claim & Transfer Administration System (CACTAS) and Awarding Agencies

n/a = program not yet created or discontinued program

[†]=tax credit programs that have capped awards

*=partial award year

Table 2: Tax Credit Claims by Tax Year

	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Total Individual Income Tax Credits	\$150,017,624	\$163,661,037	\$195,735,890	\$290,148,864	\$272,507,966	\$221,768,067	\$233,870,653	\$236,277,453	\$221,522,520
Child & Dependent Care Tax Credit	\$7,797,680	\$7,494,943	\$4,488,530	\$3,813,708	\$4,061,279	\$5,686,294	\$6,086,567	\$6,114,110	\$5,593,688
Early Childhood Development Tax Credit	\$591,995	\$753,173	\$846,434	\$784,165	\$728,777	\$683,919	\$658,405	\$688,650	\$645,420
Earned Income Tax Credit	\$27,536,092	\$30,258,024	\$31,031,962	\$65,570,550	\$71,094,646	\$71,931,413	\$69,582,239	\$68,651,800	\$67,457,314
Taxpayers Trust Fund Tax Credit	n/a	n/a	n/a	\$88,258,180	\$24,945,414	\$0	\$0	\$0	n/a
Tuition and Textbook Tax Credit	\$15,164,401	\$15,088,982	\$15,319,837	\$15,168,557	\$15,356,667	\$15,489,317	\$15,344,341	\$15,306,991	\$14,984,305
Volunteer Firefighter and Emergency Medical Services Personnel and Reserve Peace Officer Tax Credit	n/a	n/a	n/a	\$634,705	\$1,366,107	\$1,366,431	\$1,366,212	\$1,366,113	\$1,322,357
Other Nonrefundable Tax Credits	\$81,811,528	\$91,910,248	\$116,088,666	\$99,942,491	\$137,869,472	\$103,836,104	\$111,984,960	\$103,093,746	\$98,797,563
Other Refundable Tax Credits	\$17,115,928	\$18,155,667	\$27,960,461	\$15,976,508	\$17,085,604	\$22,774,589	\$28,847,929	\$41,056,043	\$32,721,873

	2010	2011	2012	2013	2014	2015	2016	2017*	2018
Total Corporation Income Tax Credits	\$92,295,691	\$92,414,925	\$102,092,847	\$112,574,526	\$114,925,035	\$97,631,738	\$94,518,681	\$96,406,438	\$23,108,862
Other Credits (Nonrefundable)	\$17,178,886	\$17,328,536	\$23,721,693	\$37,551,147	\$38,380,472	\$21,010,846	\$17,831,270	#	#
Other Credits (Refundable)	\$24,260,203	\$20,695,352	\$25,380,940	\$14,906,118	\$21,474,943	\$23,307,082	\$26,053,874	#	#
Iowa Industrial New Jobs Income Tax Credit (260E)	\$2,176,506	\$1,321,067	\$1,076,651	\$1,362,158	\$1,162,157	\$1,131,797	\$1,025,474	#	#
Research Activities Tax Credit	\$48,680,096	\$53,069,970	\$51,913,563	\$58,755,103	\$53,907,463	\$52,182,013	\$49,608,063	#	#

Source: Tax Credit Award, Claim & Transfer Administration System

* = incomplete data for tax year

n/a = program not yet created, or discontinued

= tax credit detail not yet available

Table 3: Nonrefundable Tax Credit Claims from IA 148

Tax Year	Tax Type							Total
	Corporation Income Tax	Franchise Tax	Individual Income Tax	Insurance Premium Tax	Moneys and Credits Tax	Replacement Tax	Sales & Use Taxes	
2006	\$19,415,788	\$717,169	\$90,260,420	\$3,282,851	\$0	\$0	\$0	\$113,676,228
2007	\$24,328,411	\$632,919	\$72,627,752	\$1,981,714	\$0	\$0	\$0	\$99,570,796
2008	\$21,318,372	\$4,002,099	\$82,199,152	\$4,436,085	\$0	\$0	\$241,264	\$112,196,972
2009	\$27,571,621	\$1,072,601	\$72,305,732	\$13,718,892	\$0	\$516,821	\$0	\$115,185,667
2010	\$19,372,886	\$3,123,320	\$81,811,528	\$4,016,374	\$0	\$726,025	\$0	\$109,050,133
2011	\$18,679,008	\$2,194,248	\$91,910,248	\$9,109,119	\$0	\$763,797	\$0	\$122,656,420
2012	\$24,863,301	\$3,448,056	\$116,088,666	\$5,874,008	\$0	\$791,633	\$54,732	\$151,120,396
2013	\$39,278,346	\$3,368,541	\$90,564,327	\$6,483,552	\$0	\$780,983	\$126,338	\$140,602,087
2014	\$39,542,814	\$4,463,110	\$125,733,260	\$6,050,833	\$268,002	\$837,557	\$487,649	\$177,383,225
2015	\$22,149,273	\$4,929,173	\$106,480,585	\$7,204,062	\$216,803	\$789,564	\$385,532	\$142,154,992
2016	\$18,865,487	\$6,820,810	\$118,779,970	\$8,949,402	\$272,597	\$787,002	\$502,601	\$154,977,869

Source: Tax Credit Award, Claim & Transfer Administration System

Data is provided for all tax years where IA 148 data collection is completed; ongoing verification and corrections as well as new claims on amended returns may result in future changes to these numbers.

Table 4: Refundable Tax Credit Claims from IA 148

Tax Year	Tax Type							Total
	Corporation Income Tax	Franchise Tax	Individual Income Tax	Insurance Premium Tax	Moneys and Credits Tax	Replacement Tax	Sales & Use Taxes	
2006	\$55,448,179	\$0	\$7,929,476	\$0	\$0	\$0	\$0	\$63,377,655
2007	\$67,612,431	\$3,762,902	\$11,098,475	\$3,833,435	\$0	\$23,090	\$0	\$86,330,333
2008	\$61,674,922	\$4,357,967	\$13,505,319	\$4,433,454	\$0	\$0	\$0	\$83,971,662
2009	\$56,198,742	\$2,347,749	\$14,285,781	\$1,771,058	\$0	\$0	\$0	\$74,603,330
2010	\$72,940,299	\$9,899,916	\$17,115,928	\$2,353,410	\$0	\$0	\$0	\$102,309,553
2011	\$73,765,568	\$4,522,792	\$18,155,667	\$131,286	\$0	\$0	\$0	\$96,575,313
2012	\$77,294,503	\$11,057,276	\$27,960,461	\$2,118,789	\$0	\$0	\$0	\$118,431,029
2013	\$73,661,221	\$10,248,752	\$24,357,320	\$1,700,232	\$0	\$0	\$0	\$109,967,525
2014	\$75,382,406	\$9,411,004	\$30,389,910	\$1,343,225	\$0	\$0	\$0	\$116,526,545
2015	\$75,489,095	\$14,916,597	\$40,296,457	\$0	\$0	\$0	\$0	\$130,702,149
2016	\$75,661,937	\$17,766,922	\$41,714,244	\$7,607,358	\$0	\$0	\$0	\$142,750,461

Source: Tax Credit Award, Claim & Transfer Administration System

Data is provided for all tax years where IA 148 data collection is completed; ongoing verification and corrections as well as new claims on amended returns may result in future changes to these numbers.

Table 5: Sales and Use Tax Refunds by Tax Credit Program by Fiscal Year

	Enterprise Zone	Housing-Enterprise Zone	New Jobs & Income Program	New Capital Investment Program	High Quality Jobs Program	Workforce Housing Program	Total Refunds
FY 2000	\$104,215	\$87,481					\$191,696
FY 2001	\$445,591	\$173,764	\$893,857				\$1,513,212
FY 2002	\$801,155	\$211,117	\$29,379				\$1,041,651
FY 2003	\$2,125,799	\$313,133	\$429,977				\$2,868,909
FY 2004	\$405,761	\$505,189	\$742,304				\$1,653,254
FY 2005	\$693,913	\$751,334	\$452,683	\$70,059			\$1,967,989
FY 2006	\$459,136	\$1,217,679	\$366,294	\$956,529	\$0		\$2,999,638
FY 2007	\$425,907	\$1,880,069	\$1,526,798	\$4,119,842	\$0		\$7,952,616
FY 2008	\$2,038,470	\$1,242,233	\$1,443,810	\$163,136	\$2,856,991		\$7,744,640
FY 2009	\$2,674,067	\$1,424,279	\$0	\$0	\$2,580,652		\$6,678,998
FY 2010	\$912,514	\$1,212,217	\$20,497	\$0	\$5,700,745		\$7,845,973
FY 2011	\$638,690	\$2,661,732	\$0	\$0	\$1,946,981		\$5,247,403
FY 2012	\$323,150	\$1,419,714	\$0	\$0	\$392,767		\$2,135,631
FY 2013	\$4,345,177	\$1,959,555	\$0	\$0	\$3,325,099		\$9,629,831
FY 2014	\$383,675	\$779,973	\$0	\$0	\$2,582,612		\$3,746,260
FY 2015	\$2,507,415	\$4,033,112	\$0	\$0	\$14,801,323		\$21,341,850
FY 2016	\$217,660	\$2,850,256	\$0	\$0	\$13,267,765		\$16,335,681
FY 2017	\$2,505,357	\$2,930,152	\$0	\$0	\$15,158,447	\$243,478	\$20,837,434
FY 2018	\$1,013,364	\$1,629,495	\$0	\$0	\$20,370,698	\$3,074,266	\$26,087,823
FY 2019	\$0	\$1,141,474	\$0	\$0	\$24,474,025	\$2,503,049	\$28,118,548
FY 2020 YTD	\$0	\$0	\$0	\$0	\$1,427,831	\$539,105	\$1,966,936

Refunds are reported on an accrual basis

Source: IDR Data

Table 6: Withholding Tax Credits Claimed by Quarter

Quarter	Number of Claims	Total Tax Credit Claims	New Jobs Tax Credit (260E)	Supplemental New Jobs Tax Credit	Targeted Jobs Tax Credit	ACE Tax Credit
12/31/2014	642	\$12,870,629	\$7,290,569	\$3,487,936	\$1,253,396	\$838,728
3/31/2015	640	\$13,463,575	\$7,555,306	\$3,746,667	\$1,000,054	\$1,161,548
6/30/2015	659	\$12,092,201	\$6,517,834	\$3,222,047	\$1,108,558	\$1,243,762
9/30/2015	642	\$12,000,842	\$6,642,269	\$3,076,407	\$1,068,969	\$1,213,197
12/31/2015	639	\$12,750,375	\$7,000,195	\$3,189,922	\$1,338,590	\$1,221,668
3/31/2016	645	\$12,170,849	\$6,507,147	\$3,547,887	\$1,170,612	\$945,203
6/30/2016	636	\$11,773,715	\$5,947,916	\$3,335,989	\$1,512,563	\$977,247
9/30/2016	622	\$12,608,201	\$6,415,542	\$3,678,830	\$1,269,200	\$1,244,629
12/31/2016	610	\$11,785,962	\$6,281,265	\$3,270,056	\$1,193,431	\$1,041,210
3/31/2017	603	\$11,476,226	\$6,036,638	\$3,418,380	\$1,246,296	\$774,912
6/30/2017	599	\$11,540,837	\$5,898,777	\$3,381,951	\$1,111,979	\$1,148,130
9/30/2017	581	\$11,526,854	\$5,509,700	\$3,544,536	\$1,189,317	\$1,283,301
12/31/2017	586	\$12,338,819	\$6,530,052	\$3,737,660	\$1,207,041	\$864,066
3/31/2018	578	\$11,333,740	\$5,588,687	\$3,472,522	\$1,254,819	\$1,017,712
6/30/2018	578	\$11,280,478	\$5,656,259	\$3,275,900	\$1,291,343	\$1,056,976
9/30/2018	553	\$11,333,753	\$5,688,767	\$3,204,653	\$1,108,621	\$1,331,712
12/31/2018	442	\$8,873,380	\$4,593,469	\$2,678,318	\$923,074	\$678,519
3/31/2019	538	\$11,209,735	\$5,654,436	\$3,343,291	\$1,312,421	\$899,587
6/30/2019	513	\$11,029,750	\$5,866,892	\$3,206,405	\$979,472	\$976,981
9/30/2019	463	\$9,988,024	\$5,026,794	\$2,931,916	\$534,743	\$1,494,571
FY 2015						
FY 2015	2,599	\$51,008,505	\$28,360,053	\$14,185,587	\$4,328,579	\$4,134,286
FY 2016						
FY 2016	2,562	\$48,695,781	\$26,097,527	\$13,150,205	\$5,090,734	\$4,357,315
FY 2017						
FY 2017	2,434	\$47,411,226	\$24,632,222	\$13,749,217	\$4,820,906	\$4,208,881
FY 2018						
FY 2018	2,323	\$46,479,891	\$23,284,698	\$14,030,618	\$4,942,520	\$4,222,055
FY 2019						
FY 2019	2,046	\$42,446,618	\$21,803,564	\$12,432,667	\$4,323,588	\$3,886,799
CY 2015						
CY 2015	2,580	\$50,306,993	\$27,715,604	\$13,235,043	\$4,516,171	\$4,840,175
CY 2016						
CY 2016	2,513	\$48,338,727	\$25,151,870	\$13,832,762	\$5,145,806	\$4,208,289
CY 2017						
CY 2017	2,369	\$46,882,736	\$23,975,167	\$14,082,527	\$4,754,633	\$4,070,409
CY 2018						
CY 2018	2,151	\$42,821,351	\$21,527,182	\$12,631,393	\$4,577,857	\$4,084,919
YTD CY 2019						
YTD CY 2019	1,514	\$32,227,509	\$16,548,122	\$9,481,612	\$2,826,636	\$3,371,139

Source: IDR withholding returns data

Figure 1: Withholding Tax Credit Claims by Quarter

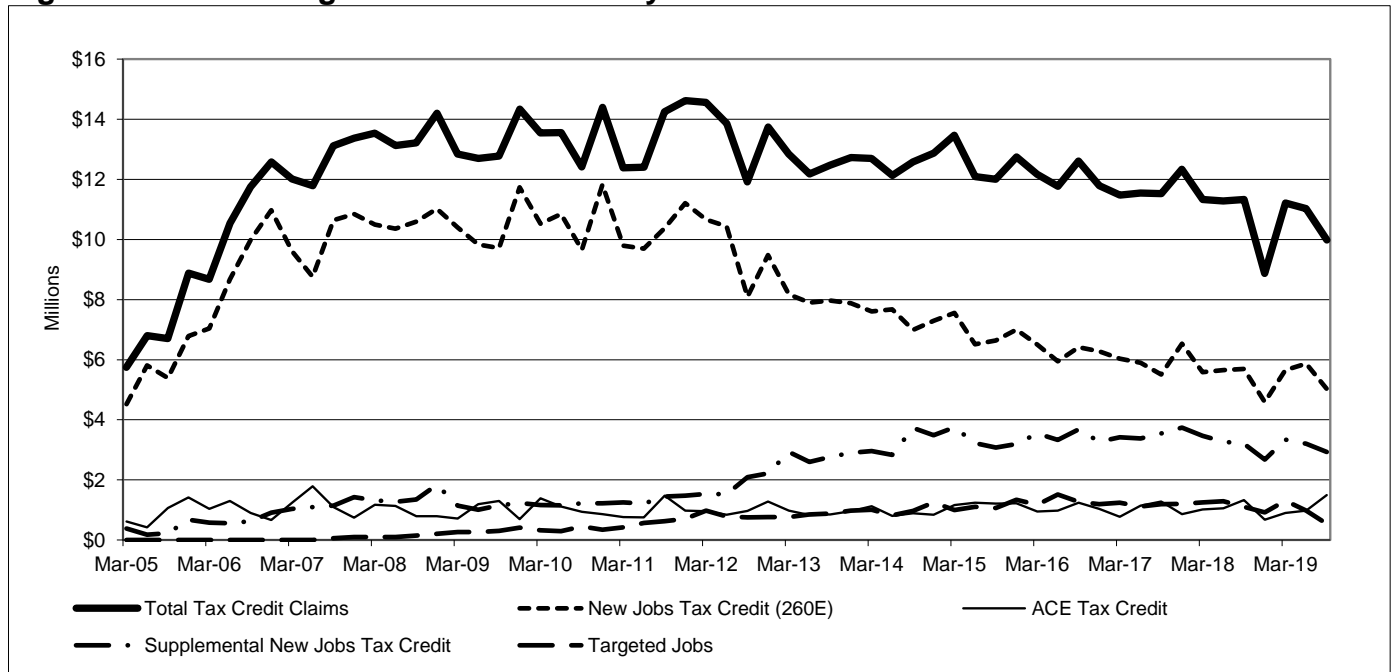


Table 7: Iowa Industrial New Jobs Training Program (260E) Award and Claim Information

	260E Withholding Credits Awarded	260E and Supplemental Credit Claims on Withholding Returns	New Jobs Income Tax Credit Claims	Total 260E Withholding and Income Tax Credit Claims
FY 2001	\$38,567,500	n/a	n/a	
FY 2002	\$36,465,750	n/a	n/a	
FY 2003	\$26,705,000	n/a	n/a	
FY 2004	\$26,746,500	n/a	n/a	
FY 2005	\$51,995,000	n/a	n/a	
FY 2006	\$40,280,000	\$29,928,649	n/a	
FY 2007	\$60,110,000	\$42,996,886	\$4,473,924	\$47,470,810
FY 2008	\$59,050,000	\$47,507,655	\$4,627,118	\$52,134,773
FY 2009	\$48,925,000	\$47,189,017	\$4,403,826	\$51,592,843
FY 2010	\$32,065,000	\$47,526,601	\$3,082,991	\$50,609,592
FY 2011	\$40,755,000	\$45,892,441	\$2,355,421	\$48,247,862
FY 2012	\$48,500,000	\$48,660,167	\$2,618,095	\$51,278,262
FY 2013	\$35,655,727	\$43,488,612	\$3,325,110	\$46,813,722
FY 2014	\$38,667,132	\$42,602,821	\$2,017,380	\$44,620,201
FY 2015	\$39,860,995	\$42,545,640	\$1,623,321	\$44,168,961
FY 2016	\$40,285,007	\$39,247,732	\$2,300,085	\$41,547,817
FY 2017	\$38,167,000	\$38,381,439	\$2,884,267	\$41,265,706
FY 2018	\$44,600,000	\$37,315,316	\$1,735,399	\$39,050,715
FY 2019	\$37,985,000	\$34,236,231	\$1,454,728	\$35,690,959
FY 2020 YTD	\$0	\$7,958,710	\$266,819	\$8,225,529

Source: IDR data and data reported by the Iowa Economic Development Authority

Table 8: Tax Credit Contingent Liabilities Projection

Capped Programs	History*			Forecast				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Accelerated Career Education Tax Credit ²	\$4,208,881	\$4,222,055	\$3,886,799	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000
Assistive Device Tax Credit ³	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Farmer Tax Credit ⁴	\$5,000,233	\$5,084,915	\$4,519,770	\$10,138,432	\$11,478,938	\$12,661,025	\$13,216,355	\$13,315,744
Custom Farming Contract Tax Credit ⁵	\$62,471	\$103,516	\$33,573	\$32,510	\$14,233	\$8,486	\$4,458	\$4,458
Endow Iowa Tax Credit ⁴	\$4,196,016	\$5,915,109	\$5,218,708	\$6,558,991	\$6,798,480	\$7,082,880	\$6,417,976	\$6,876,156
Enterprise Zone Program ⁴	\$6,905,160	\$4,811,893	\$2,172,315	\$11,072,337	\$6,419,855	\$5,846,988	\$5,062,042	\$1,550,109
Enterprise Zone Program - Housing Component ⁶	\$10,303,651	\$8,004,172	\$7,183,593	\$18,550,316	\$10,472,468	\$1,983,652	\$1,192,377	\$0
Geothermal Heat Pump Tax Credit ⁷	\$2,211,889	\$526,904	\$207,335	\$895,078	\$993,311	\$1,016,001	\$1,028,727	\$247,490
High Quality Jobs Program ⁴	\$33,729,794	\$37,207,496	\$34,365,882	\$80,429,094	\$96,742,191	\$95,123,987	\$93,629,650	\$106,323,683
Historic Preservation Tax Credit ⁴	\$43,540,191	\$60,239,484	\$36,436,110	\$53,832,697	\$49,462,251	\$47,051,168	\$43,010,064	\$44,641,050
Redevelopment Tax Credit ⁸	\$2,916,116	\$5,133,977	\$8,565,540	\$8,402,030	\$14,633,176	\$13,415,268	\$10,620,656	\$11,517,591
Renewable Chemical Production Tax Credit Program ⁸	\$0	\$0	\$0	\$306,956	\$2,727,832	\$7,925,502	\$10,497,995	\$12,520,709
Renewable Energy Tax Credit ⁴	\$4,646,483	\$3,692,180	\$4,876,628	\$5,534,351	\$6,469,678	\$6,462,841	\$5,785,082	\$5,069,771
School Tuition Organization Tax Credit ⁴	\$11,169,170	\$11,875,120	\$10,802,255	\$13,642,355	\$14,959,153	\$15,662,470	\$15,620,157	\$15,526,099
Solar Energy System Tax Credit ⁴	\$3,797,634	\$4,002,422	\$4,198,788	\$4,147,719	\$4,262,308	\$4,425,401	\$2,362,784	\$1,672,942
Supplemental Research Activities Tax Credit ⁹	\$7,700,319	\$3,389,036	\$2,643,666	\$8,217,541	\$3,683,631	\$4,807,509	\$6,272,107	\$7,424,886
Venture Capital Tax Credit - Innovation Fund ⁸	\$1,173,973	\$861,527	\$1,168,643	\$1,942,433	\$3,497,501	\$5,606,864	\$6,618,796	\$6,815,758
Venture Capital Tax Credit - Iowa Fund of Funds ¹⁰	\$621,489	\$0	\$0	\$56,860	\$0	\$0	\$0	\$0
Venture Capital Tax Credit - Qualifying Business ⁸	\$1,779,091	\$2,088,439	\$1,554,059	\$2,121,256	\$2,122,853	\$1,998,079	\$2,010,761	\$2,006,034
Venture Capital Tax Credit - Venture Capital Funds ¹¹	\$8,930	\$3,102	\$8,819	\$2,395	\$0	\$0	\$0	\$0
Wind Energy Production Tax Credit ⁴	\$1,206,421	\$957,456	\$3,560,105	\$1,006,786	\$1,210,501	\$629,317	\$613,211	\$531,367
Workforce Housing Tax Incentive Program ¹²	\$243,478	\$8,825,503	\$13,131,683	\$25,104,609	\$22,665,247	\$22,166,099	\$27,496,981	\$25,192,969
TOTAL OF CAPPED PROGRAMS	\$145,421,390	\$166,944,306	\$144,534,271	\$257,394,746	\$264,013,608	\$259,273,536	\$256,860,181	\$266,636,817

² Estimates are based on the assumption that the full amount of the cap will be awarded and claimed each year.

³ Estimates are based on information from the awarding agency and include Sales and Use Tax Refunds, Investment Tax Credits, and Corporation Tax Credit for Third Party Sales Tax. Supplemental Research Activities Tax Credit (RAC) awards are accounted for under the Supplemental RAC estimates. This program is included in the \$170 million IEDA tax credit award cap.

⁴ Estimates are based on claim information collected from the IA 148 and the assumption that the full amount of the cap will be awarded each future year and fully claimed.

⁵ Estimates are based on claim information collected from the IA 148 and accounts for the fact that this tax credit expired December 31, 2017.

⁶ Estimates are based on information from the awarding agency and include Sales and Use Tax Refunds and Investment Tax Credits. This program was included in the \$170 million IEDA tax credit award cap prior to its repeal effective July 1, 2014.

⁷ Estimates are based on claim information collected from the IA 148, the expiration of the tax credit effective December 31, 2016, and the reinstatement of the credit in 2019 as a \$1 million capped credit.

⁸ Estimates are based on claim information collected from the IA 148 and the assumption that the full amount of the cap will be awarded each future year and fully claimed. This program is included in the \$170 million IEDA tax credit award cap.

⁹ Estimates account for IEDA capping the amount of Supplemental RAC that can be claimed and changes to the credit calculation based on corporate gross revenues. The credit is included in the \$170 million IEDA tax credit cap.

¹⁰ Estimates are based on amounts verified by ICIB and claim information collected from the IA 148.

¹¹ Estimates are based on claim information collected from the IA 148 and the elimination of the program.

¹² Estimates are based on actual award allocations, estimated timing based on information received from the awarding agency, and include Investment Tax Credits and Sales and Use Tax Refunds. This program is included in the \$170 million IEDA tax credit award cap.

Table 8 Continued: Tax Credit Contingent Liabilities Projection

Uncapped Programs	History*			Forecast				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Adoption Tax Credit ¹³	\$634,477	\$970,432	\$966,532	\$1,325,077	\$1,369,791	\$1,410,885	\$1,453,211	\$1,496,807
Biodiesel Blended Fuel Tax Credit ¹⁴	\$17,710,849	\$18,285,072	\$17,243,087	\$21,672,294	\$22,138,018	\$22,498,304	\$22,786,098	\$23,048,860
Charitable Conservation Contribution Tax Credit ¹⁵	\$834,373	\$709,188	\$856,707	\$1,020,001	\$1,061,889	\$1,105,062	\$1,146,648	\$1,206,002
Child & Dependent Care Tax Credit ¹⁶	\$6,086,567	\$6,114,110	\$5,547,447	\$7,023,996	\$7,149,087	\$7,199,180	\$8,395,717	\$12,193,598
E15 Plus Gasoline Promotion Tax Credit ¹⁴	\$165,943	\$1,003,295	\$1,465,324	\$1,925,939	\$2,565,157	\$2,754,552	\$3,020,640	\$3,275,667
E85 Gasoline Promotion Tax Credit ¹⁴	\$2,089,024	\$2,517,046	\$2,582,357	\$3,278,803	\$3,508,603	\$3,732,462	\$3,932,301	\$4,194,784
Early Childhood Development Tax Credit ¹⁶	\$658,405	\$688,650	\$641,448	\$707,344	\$731,668	\$752,846	\$772,207	\$814,663
Earned Income Tax Credit ¹⁶	\$69,582,239	\$68,651,800	\$66,881,268	\$71,204,377	\$69,792,221	\$70,893,952	\$71,880,635	\$72,761,362
Ethanol Promotion Tax Credit ¹⁴	\$1,470,179	\$836,886	\$674,916	\$1,247,030	\$1,005,518	\$664,814	\$65,022	\$9,868
Farm to Food Donation Tax Credit ¹⁷	\$9,079	\$12,387	\$17,202	\$33,508	\$35,134	\$40,813	\$47,069	\$54,220
Geothermal Tax Credit ¹⁸	\$0	\$319,833	\$1,126,630	\$163,979	\$36,947	\$13,039	\$13,039	\$13,039
Iowa Industrial New Job Training Program (260E) ¹⁹	\$41,265,706	\$39,050,715	\$35,690,959	\$42,230,660	\$42,988,455	\$43,344,509	\$43,541,296	\$43,681,516
New Capital Investment Program ²⁰	\$469	\$1,101	\$1,434	\$0	\$0	\$0	\$0	\$0
New Jobs and Income Program ²⁰	\$7,330	\$3,093	\$0	\$0	\$0	\$0	\$0	\$0
Research Activities Tax Credit ²¹	\$75,335,177	\$71,195,365	\$81,355,937	\$73,662,095	\$76,913,098	\$76,773,905	\$80,513,691	\$84,313,663
Targeted Jobs Tax Credit from Withholding ²²	\$5,474,444	\$5,533,920	\$4,524,081	\$9,440,703	\$7,157,685	\$5,583,116	\$2,579,165	\$2,496,449
Tuition and Textbook Tax Credit ¹⁶	\$15,344,341	\$15,306,991	\$14,459,487	\$15,163,793	\$15,179,180	\$15,224,611	\$15,253,080	\$15,151,750
Volunteer Firefighter and Emergency Medical Services Personnel and Reserve Peace Officer Tax Credit ¹⁶	\$1,366,212	\$1,366,113	\$1,301,122	\$1,318,141	\$1,320,177	\$1,324,775	\$1,330,837	\$1,311,481
TOTAL OF UNCAPPED PROGRAMS	\$238,034,814	\$232,565,997	\$235,335,938	\$251,417,739	\$252,952,626	\$253,316,824	\$256,730,658	\$266,023,729
TOTAL OF ALL PROGRAMS	\$383,456,204	\$399,510,303	\$379,870,209	\$508,812,485	\$516,966,233	\$512,590,360	\$513,590,838	\$532,660,547

* The history portion of the table is based on actual claims made by taxpayers; the numbers will not match the amount of awards issued. Values for FY 2017 through 2019 are actual claim numbers, but may increase as additional tax credit claims are verified.

¹³ Estimates are based on actual claim information and assumed growth rates in future years.

¹⁴ Estimates are based on claim information collected from the IA 148 and forecasted future claims based on the Retailers Annual Fuel Gallons Report for 2018.

¹⁵ Estimates are based on claim information collected from the IA 148 and the average new claims from tax years 2008 through 2016 to estimate future new claims.

¹⁶ Estimates are based on the IDR individual income tax micro model.

¹⁷ Estimates are based on claim information collected from the IA 148 and forecasted awards based on historical awards.

¹⁸ Estimates are based on the Fiscal Note for HF 2468, 2016 Legislative session and the repeal of the tax credit effective December 31, 2018.

¹⁹ Estimates are based on the assumption that withholding tax credit awards are claimed against withholding tax equally over eight years. The income tax credit estimates are based on historical claims from the IA 148.

²⁰ Estimates are based on claim information from the IA 148. This program ended July 1, 2005, no further claims are expected.

²¹ Estimates are based on claim information collected from the IA 148, forecasted future claims based on the compound annual growth rate from past claims, and changes to eligibility effective beginning in tax year 2017 made in SF 2417, 2018 Legislative session.

²² Estimates are based on claim information collected from withholding returns and new awards are forecasted to equal average new awards from tax years 2007 through 2016. This program will expire June 30, 2021.

Table 9: Tax Credit Expected Claims Projection

Capped Programs	History*			Forecast				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Accelerated Career Education Tax Credit ²³	\$4,208,881	\$4,222,055	\$3,886,799	\$4,092,567	\$4,092,567	\$4,092,567	\$4,092,567	\$4,092,567
Assistive Device Tax Credit ⁴	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Farmer Tax Credit ²⁴	\$5,000,233	\$5,084,915	\$4,519,770	\$6,302,875	\$7,103,136	\$7,478,932	\$7,782,162	\$7,980,779
Custom Farming Contract Tax Credit ⁵	\$62,471	\$103,516	\$33,573	\$32,510	\$14,233	\$8,486	\$4,458	\$4,458
Endow Iowa Tax Credit ²⁵	\$4,196,016	\$5,915,109	\$5,218,708	\$5,150,063	\$5,144,306	\$5,144,306	\$5,144,306	\$5,144,306
Enterprise Zone Program ²⁶	\$6,905,160	\$4,811,893	\$2,172,315	\$1,781,851	\$1,016,129	\$826,563	\$367,862	\$105,860
Enterprise Zone Program - Housing Component ²⁶	\$10,303,651	\$8,004,172	\$7,183,593	\$3,249,525	\$1,578,596	\$800,781	\$344,987	\$0
Geothermal Heat Pump Tax Credit ⁷	\$2,211,889	\$526,904	\$207,335	\$895,078	\$993,311	\$1,016,001	\$1,028,727	\$247,490
High Quality Jobs Program ²⁴	\$33,729,794	\$37,207,496	\$34,365,882	\$44,239,263	\$52,582,782	\$35,376,190	\$30,450,008	\$32,090,102
Historic Preservation Tax Credit ²⁷	\$43,540,191	\$60,239,484	\$36,436,110	\$53,832,697	\$49,462,251	\$47,051,168	\$43,010,064	\$44,641,050
Redevelopment Tax Credit ²⁸	\$2,916,116	\$5,133,977	\$8,565,540	\$8,161,569	\$13,398,551	\$11,726,399	\$9,243,285	\$10,050,993
Renewable Chemical Production Tax Credit ²⁹	\$0	\$0	\$0	\$0	\$204,637	\$1,781,038	\$5,034,395	\$6,886,683
Renewable Energy Tax Credit ²⁴	\$4,646,483	\$3,692,180	\$4,876,628	\$5,437,635	\$6,359,709	\$6,366,838	\$5,681,215	\$4,978,746
School Tuition Organization Tax Credit ²⁵	\$11,169,170	\$11,875,120	\$10,802,255	\$12,130,069	\$13,717,428	\$14,143,807	\$14,238,048	\$14,272,347
Solar Energy System Tax Credit ³	\$3,797,634	\$4,002,422	\$4,198,788	\$4,147,719	\$4,262,308	\$4,425,401	\$2,362,784	\$1,672,942
Supplemental Research Activities Tax Credit ²⁴	\$7,700,319	\$3,389,036	\$2,643,666	\$3,119,065	\$3,306,011	\$4,776,430	\$6,227,432	\$7,231,533
Venture Capital Tax Credit - Innovation Fund ²⁴	\$1,173,973	\$861,527	\$1,168,643	\$1,942,433	\$1,594,835	\$2,103,777	\$2,691,654	\$2,962,846
Venture Capital Tax Credit - Iowa Fund of Funds ¹⁰	\$621,489	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Venture Capital Tax Credit - Qualifying Business ⁸	\$1,779,091	\$2,088,439	\$1,554,059	\$2,121,256	\$2,122,853	\$1,998,079	\$2,010,761	\$2,006,034
Venture Capital Tax Credit - Venture Capital Funds ¹¹	\$8,930	\$3,102	\$8,819	\$2,395	\$0	\$0	\$0	\$0
Wind Energy Production Tax Credit ²⁴	\$1,206,421	\$957,456	\$3,560,105	\$1,006,786	\$1,210,501	\$629,317	\$613,211	\$531,367
Workforce Housing Tax Incentive Program ²⁵	\$243,478	\$8,825,503	\$13,131,683	\$21,081,317	\$15,812,626	\$18,335,382	\$25,615,926	\$23,584,704
TOTAL OF CAPPED PROGRAMS	\$145,421,390	\$166,944,306	\$144,534,271	\$178,726,675	\$183,976,771	\$168,081,463	\$165,943,854	\$168,484,809

²³ Estimates are based on the average of historical claims.

²⁴ Estimates are based on claim information from the IA 148 and estimated future awards based on historical awards.

²⁵ Estimates are based on the expectation that less than 100 percent of awards will be claimed before expiration based on historical claims.

²⁶ Estimates are based on the program being repealed and the expectation that less than 100 percent of awards will be claimed before expiration based on historical claims.

²⁷ Estimates are based on the expectation that less than 100 percent of allocated projects will be completed and thus some projects will not ever receive awards.

²⁸ Estimates are based on the expectation that less than 100 percent of awards will be claimed before expiration based on historical claims for nonrefundable tax credit awards. It is assumed that 100 percent of the tax credit awards that are refundable, beginning in 2016, will be claimed.

²⁹ Estimates are based on the expectation that no awards will be issued for the first three years of the ten year program, but 100 percent of refundable credits will be claimed.

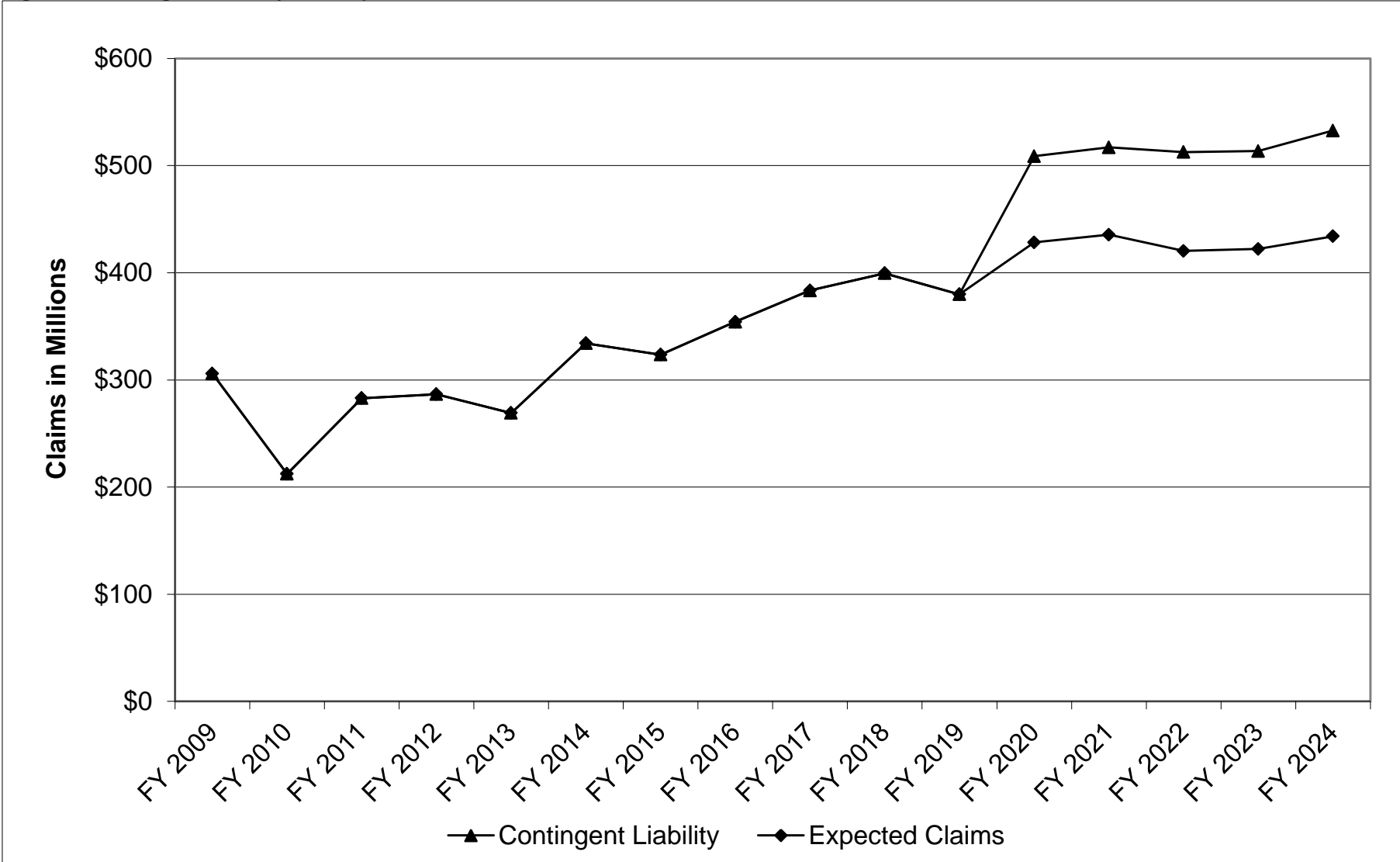
Table 9 Continued: Tax Credit Expected Claims Projection

Uncapped Programs	History*			Forecast				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Adoption Tax Credit ¹³	\$634,477	\$970,432	\$966,532	\$1,325,077	\$1,369,791	\$1,410,885	\$1,453,211	\$1,496,807
Biodiesel Blended Fuel Tax Credit ¹⁴	\$17,710,849	\$18,285,072	\$17,243,087	\$21,672,294	\$22,138,018	\$22,498,304	\$22,786,098	\$23,048,860
Charitable Conservation Contribution Tax Credit ¹⁵	\$834,373	\$709,188	\$856,707	\$1,020,001	\$1,061,889	\$1,105,062	\$1,146,648	\$1,206,002
Child & Dependent Care Tax Credit ¹⁶	\$6,086,567	\$6,114,110	\$5,547,447	\$7,023,996	\$7,149,087	\$7,199,180	\$8,395,717	\$12,193,598
E15 Plus Gasoline Promotion Tax Credit ¹⁴	\$165,943	\$1,003,295	\$1,465,324	\$1,925,939	\$2,565,157	\$2,754,552	\$3,020,640	\$3,275,667
E85 Gasoline Promotion Tax Credit ¹⁴	\$2,089,024	\$2,517,046	\$2,582,357	\$3,278,803	\$3,508,603	\$3,732,462	\$3,932,301	\$4,194,784
Early Childhood Development Tax Credit ¹⁶	\$658,405	\$688,650	\$641,448	\$707,344	\$731,668	\$752,846	\$772,207	\$814,663
Earned Income Tax Credit ¹⁶	\$69,582,239	\$68,651,800	\$66,881,268	\$71,204,377	\$69,792,221	\$70,893,952	\$71,880,635	\$72,761,362
Ethanol Promotion Tax Credit ¹⁴	\$1,470,179	\$836,886	\$674,916	\$1,247,030	\$1,005,518	\$664,814	\$65,022	\$9,868
Farm to Food Donation Tax Credit ¹⁷	\$9,079	\$12,387	\$17,202	\$33,508	\$35,134	\$40,813	\$47,069	\$54,220
Geothermal Tax Credit ¹⁸	\$0	\$319,833	\$1,126,630	\$163,979	\$36,947	\$13,039	\$13,039	\$13,039
Iowa Industrial New Job Training Program (260E) ¹⁹	\$41,265,706	\$39,050,715	\$35,690,959	\$42,230,660	\$42,988,455	\$43,344,509	\$43,541,296	\$43,681,516
New Capital Investment Program ²⁰	\$469	\$1,101	\$1,434	\$0	\$0	\$0	\$0	\$0
New Jobs and Income Program ²⁰	\$7,330	\$3,093	\$0	\$0	\$0	\$0	\$0	\$0
Research Activities Tax Credit ²¹	\$75,335,177	\$71,195,365	\$81,355,937	\$73,662,095	\$76,913,098	\$76,773,905	\$80,513,691	\$84,313,663
Targeted Jobs Tax Credit from Withholding ³⁰	\$5,474,444	\$5,533,920	\$4,524,081	\$7,552,562	\$5,726,148	\$4,466,493	\$2,063,332	\$1,997,159
Tuition and Textbook Tax Credit ¹⁶	\$15,344,341	\$15,306,991	\$14,459,487	\$15,163,793	\$15,179,180	\$15,224,611	\$15,253,080	\$15,151,750
Volunteer Firefighter and Emergency Medical Services Personnel and Reserve Peace Officer Tax Credit ¹⁶	\$1,366,212	\$1,366,113	\$1,301,122	\$1,318,141	\$1,320,177	\$1,324,775	\$1,330,837	\$1,311,481
TOTAL OF UNCAPPED PROGRAMS	\$238,034,814	\$232,565,997	\$235,335,938	\$249,529,598	\$251,521,089	\$252,200,200	\$256,214,825	\$265,524,440
TOTAL OF ALL PROGRAMS	\$383,456,204	\$399,510,303	\$379,870,209	\$428,256,274	\$435,497,859	\$420,281,664	\$422,158,678	\$434,009,249

* The history portion of the table is based on actual claims made by taxpayers; the numbers will not match the amount of awards issued. Values for FY 2017 through 2019 are actual claim numbers, but may increase as additional tax credit claims are verified.

³⁰ Estimates are based on the expectation that less than 100 percent of forecasted awards will be claimed before expiration based on historical claims. This program will expire June 30, 2021.

Figure 2: Contingent Liability and Expected Claims of Tax Credits in Iowa



Appendix: Description of Iowa's Tax Credit Programs

Accelerated Career Education Program (ACE) (260G): This withholding credit is administered by Iowa's Community Colleges and provides credits for employers that sponsor training slots at community colleges. Section 260G, Code of Iowa.

Adoption Tax Credit: This credit is available to individual taxpayers who pay or incur qualified adoption expenses. Section 422.12A, Code of Iowa

Assistive Device Tax Credit: This credit is awarded by the Iowa Economic Development Authority (IEDA) to taxpayers who make investments in assistive devices that allow for disability workplace accommodation. Section 422.33 (9), Code of Iowa.

Beginning Farmer Tax Credit: This credit is awarded by the Iowa Agricultural Development Division to taxpayers that lease agricultural assets to qualified beginning farmers. Sections 16.73 through 16.82, Code of Iowa.

Biodiesel Blended Fuel Tax Credit: This per gallon credit is available to retail dealers who sell biodiesel blended fuel. Section 422.11P, Code of Iowa.

Charitable Conservation Contribution Tax Credit: This credit is available to taxpayers who make an unconditional charitable donation of a qualified real property interest located in the State of Iowa to a qualified organization exclusively for conservation purposes. Section 422.11V, Code of Iowa.

Child & Dependent Care Tax Credit: This credit is available to individual taxpayers who have eligible child and dependent care expenses. Section 422.12C, Code of Iowa.

Custom Farming Contract Tax Credit: This credit was awarded by the Iowa Agricultural Development Division to taxpayers that hired qualified beginning farmers to perform custom contract farm work. Sections 16.73 through 16.82, Code of Iowa. This credit was repealed effective December 31, 2017.

E15 Plus Gasoline Promotion Tax Credit: This per gallon credit is available to retail dealers of gasoline who sell E15 or higher gasoline, but not classified as E85. Section 422.11Y, Code of Iowa.

E85 Gasoline Promotion Tax Credit: This per gallon credit is available to retail dealers of gasoline who sell E85 gasoline. Section 422.11O, Code of Iowa.

Early Childhood Development Tax Credit: This credit is equal to 25 percent of the first \$1,000 of expenses paid for early childhood development expenses for each dependent from the ages of three to five. Section 422.12C(1A), Code of Iowa.

Earned Income Tax Credit: This credit is available to individual taxpayers who qualify for the federal earned income tax credit. The credit is equal to 15 percent of the federal earned income tax credit for tax years 2014 and beyond. Section 422.12B, Code of Iowa.

Endow Iowa Tax Credit: This credit is awarded by IEDA and is equal to 25 percent of a taxpayer's endowment gift (up to \$100,000 for a single taxpayer) to a qualified community foundation. Section 15E.305, Code of Iowa.

Enterprise Zone Program (EZ): This program, administered by IEDA, encouraged investment in Iowa's economically distressed areas by providing local and state tax credits, refunds and exemptions to qualifying companies that expanded or located in designated Enterprise Zones. Section 15E.191 through 15E.196, Code of Iowa. This program was repealed effective July 1, 2014.

Ethanol Promotion Tax Credit: This credit replaced the Ethanol Blended Gasoline Tax Credit beginning in 2009. To be eligible, retail dealers must meet a rising biofuel threshold based on the annual sales of the dealer. If eligible the credit is based on the amount of pure ethanol gallons sold. Section 422.11N, Code of Iowa.

Farm to Food Donation Tax Credit: A tax credit is available to taxpayers who donate a food commodity to an Iowa food bank or an Iowa emergency feeding organization. The amount of the tax credit is equal to 15 percent of the value of the donated food. Section 422.11E, Code of Iowa.

Geothermal Heat Pump Tax Credit: This credit is equal to 20 percent of the federal residential energy efficient property tax credit allowed for geothermal thermal heat pumps in any year in which Iowa couples with the federal tax credit. Iowa was coupled in tax years 2012 through 2016 and again in tax years 2019 through 2021 when the federal credit expires. Section 422.11I, Code of Iowa.

Geothermal Tax Credit: This tax credit is equal to 10 percent of qualified expenditures on equipment that uses the ground or groundwater as a thermal energy source to heat the taxpayer's dwelling, or as a thermal energy sink to cool the dwelling in any year in which Iowa does not couple with the federal tax credit or in which the federal credit is expired. Section 422.10A, Code of Iowa. This credit is repealed effective December 31, 2018.

High Quality Jobs Program (HQJP): This program, administered by IEDA, provides tax benefits to eligible companies that create high-paying jobs and make capital investments. The program was created in 2005 and replaced the New Jobs and Income Program (NJIP) and the New Capital Investment Program (NCIP) beginning in FY 2006. Section 15.326 through 15.337, Code of Iowa.

Historic Preservation Tax Credit: This tax credit, administered by IEDA and the Iowa Department of Cultural Affairs, provides a 25 percent tax credit for qualified expenditures made in the rehabilitation of eligible historic properties. Section 404A, Code of Iowa.

Iowa Industrial New Jobs Training Program (260E): This program, administered by Iowa's Community Colleges, assists businesses that are creating new positions with new employee training. Participating companies divert withholding taxes that would be remitted to the Department of Revenue to a community college to pay for training for company employees. Section 260E, Code of Iowa.

New Capital Investment Program (NCIP): This program, administered by IEDA, was replaced by the High Quality Jobs Program, beginning in FY 2006. Section 15.381 through 15.387, Code of Iowa.

New Jobs and Income Program (NJIP): This program, administered by IEDA, was replaced by the High Quality Jobs Program, beginning in FY 2006. Section 15.326 through 15.337, Code of Iowa.

Redevelopment Tax Credit: This credit is available to taxpayers that invest in redeveloping a brownfield or grayfield site. Section 15.291 and 15.293, Code of Iowa.

Renewable Chemical Production Tax Credit Program: The tax credit, administered by IEDA, is equal to \$0.05 per pound of renewable chemicals produced from biomass feedstock in Iowa. The renewable chemicals must be produced on or after January 1, 2017, and on or before December 31, 2026. Sections 15.316 through 15.322, Code of Iowa.

Renewable Energy Tax Credit: This credit is available to a producer or purchaser of energy from a renewable energy facility approved as eligible by the Iowa Utilities Board (IUB). The Department of Revenue (IDR) determines the amount of the tax credits and issues tax credit certificates, which authorize credits to be claimed, to eligible applicants. Section 476C, Code of Iowa.

Research Activities Tax Credit: This credit is available to taxpayers who increase research activities in Iowa. The Iowa research tax credit relies on the federal definition of qualified research expenditures. Beginning with tax year 2017, businesses must meet the following requirements to be eligible for the credit: The business must claim and be allowed a Federal Research Credit for qualified research expenses under Internal Revenue Code section 41 for the same taxable year, and the business must be engaged in one of the following industries: manufacturing, life sciences, software engineering, or aviation and aerospace. Sections 15.335, 422.10 and 422.33(5), Code of Iowa.

School Tuition Organization Tax Credit: This credit, administered by IDR, is for 65 percent of the amount of a voluntary cash contribution made by a taxpayer to a school tuition organization. Section 422.11S, Code of Iowa.

Solar Energy System Tax Credit: This credit is available to individual and corporation taxpayers who install solar energy systems located in Iowa. Sections 422.11L and 422.33, Code of Iowa.

Targeted Jobs Tax Credit from Withholding: This pilot program, administered by IEDA and four pilot project cities, provides for a withholding credit equal to 3 percent of the gross wages paid by the employer to each employee under the withholding agreement. These funds are to be used by the pilot city for an urban renewal project related to the employer. Section 403.19A, Code of Iowa. This program expires June 30, 2021.

Taxpayers Trust Fund Tax Credit: The credit was equal to the amount of money transferred from the Iowa Taxpayers Trust Fund divided by the number of eligible individuals who filed Iowa Individual Income Tax returns by October 31 of the year proceeding the year in which the credit is allowed. Section 422.11E, Code of Iowa. This credit was repealed effective December 31, 2017.

Tuition and Textbook Tax Credit: This credit is available to individual taxpayers who have one or more dependents attending grades K-12 in an Iowa school. The credit percentage is 25 percent of the first \$1,000 paid for each dependent for tuition and textbooks. Section 422.12 (2), Code of Iowa.

Venture Capital Tax Credit – Innovation Fund: This credit, administered by IEDA, is allowed for investments in businesses applying novel or original methods to manufacture a product or the delivery of a service. Section 15E.52, Code of Iowa.

Venture Capital Tax Credit – Iowa Fund of Funds: This contingent tax credit, administered by the Iowa Capital Investment Board (ICIB), is allowed for investments made into the Iowa fund of funds. The tax credit is only allowed to the extent that the actual rate of return on these investments does not meet the rate of return guaranteed to investors. Section 15E.61 through 15E.69, Code of Iowa.

Venture Capital Tax Credit – Qualifying Business: Effective July 1, 2015 this credit, administered by IEDA, is 25 percent of the equity investment made into a qualifying business. Sections 15E.41 through 15E.46, Code of Iowa.

Venture Capital Tax Credit – Venture Capital Funds: This credit, administered by ICIB, was 6 percent of the equity investment made in a venture capital fund. This credit was repealed effective July 1, 2010. Section 15E.51, Code of Iowa.

Volunteer Firefighter and Emergency Medical Services Personnel and Reserve Peace Officer Tax Credit: This credit is available for volunteer firefighters, volunteer emergency medical services personnel, and reserve peace officers. Section 422.12, Code of Iowa.

Wind Energy Production Tax Credit: This credit is for electrical production facilities that produce electricity from wind and are approved as eligible by the local board of supervisors and the IUB. IDR determines the amount of the tax credits and issues tax credit certificates to eligible applicants. Section 476B, Code of Iowa.

Workforce Housing Tax Incentive Program: This tax credit program, administered by IEDA, is available to taxpayers who complete a qualifying housing project in Iowa. Sections 15.351 through 15.356, Code of Iowa.