

Senate and House Tax Bill Comparison	
SSB 1276	HF 893
Trigger Repeal – Removes the benchmark requirements to allow the income tax cuts passed in 2018 to tax effect next year.	Trigger Repeal – Removes the benchmark requirements to allow the income tax cuts passed in 2018 to tax effect next year.
Child Dependent and Development Tax Credits – Increase income threshold from \$45,000 to \$90,000. Retroactive to 1/1/21	Child Dependent and Development Tax Credits – Increase income threshold from \$45,000 to \$90,000. Retroactive to 1/1/21
COVID-19 Grants – Excludes such grants (from IEDA, IFA or IDALS) from Iowa income taxes. Retroactive to 3/23/20.	COVID-19 Grants – Excludes such grants (from IEDA, IFA or IDALS) from Iowa income taxes. Retroactive to 3/23/20.
Federal PPP Fix to allow FY2019 filers the same business expense deductions granted to FY2020 filers.	Federal PPP Fix to allow FY2019 filers the same business expense deductions granted to FY2020 filers.
Estate Tax Repeal – Eliminates over a 2+year period the State’s Inheritance Tax by both reducing the rate and increasing the exemption and then repeals it altogether effective 01/01/2024.	Estate Tax Repeal – Eliminates over a 9-year period the State’s inheritance Tax and then repeals it altogether effective 07/01/2030.
Raises the State Housing Trust Fund cap from \$3 million to \$7 million.	Raises the State Housing Trust Fund cap from \$3 million to \$7 million.
High Quality Jobs Eligibility – Allows IEDA to consider as an eligibility factor whether or not a proposed project will include a licensed child care center for employees.	High Quality Jobs Eligibility – Allows IEDA to consider as an eligibility factor whether or not a proposed project will include a licensed child care center for employees.
High Quality Jobs and Renewable Chemical Production Cap – Lowers the annual aggregate cap for High Quality Jobs Tax Credit programs from \$105 million to \$70 million. Lowers the cap on the Renewable Chemical Production Tax Credit program from \$10 million to \$5 million.	High Quality Jobs Cap – Lowers the annual aggregate cap for High Quality Jobs Tax Credit programs from \$105 million to \$70 million.
High Quality Jobs Eligibility – Prevents companies from qualifying for High Quality Job Program assistance for a project while they are simultaneously reducing operations at another site.	High Quality Jobs Eligibility – Prevents companies from qualifying for High Quality Job Program assistance for a project while they are simultaneously reducing operations at another site.
Innovation and Angel Tax Credits - Allows flexibility in IEDA’s allocation between the equity investments innovation fund and investments in qualifying businesses (Angel Investors).	Innovation and Angel Tax Credits - Allows flexibility in IEDA’s allocation between the equity investments innovation fund and investments in qualifying businesses (Angel Investors).
Telehealth – Mental Health Parity	Telehealth – Mental Health Parity
Workforce Housing Tax Credit – Raises the program cap for one year from \$25 million to \$40 million, and raises the small city portion from \$10 million to \$12 million. After that year,	Workforce Housing Tax Credit – Raises the program cap from \$25 million to \$30 million, and raises the small city portion from \$10 million to \$15 million.

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the cap would move for a year to \$35 million with \$15 million allowed for small cities with \$5 million reserved for projects in areas of the State with the greatest need as determined by the IEDA. After that 2 nd year, the cap in subsequent years would be \$30 million with \$15 million for small cities.	
Brownfield/Grayfield Program – Extends the program by 10 years (to 6/30/2031) and raises the cap on the program from \$10 million to \$15 million.	Brownfield/Grayfield Program – Extends the program by 10 years (to 6/30/2031) and raises the cap on the program from \$10 million to \$15 million.
Energy Infrastructure Revolving Loan Fund - Prohibits the Iowa energy center from initiating any new loans after June 30, 2021 and requires that all loan payments received after that date be transferred to the new energy infrastructure revolving loan fund.	Energy Infrastructure Revolving Loan Fund - Prohibits the Iowa energy center from initiating any new loans after June 30, 2021 and requires that all loan payments received after that date be transferred to the new energy infrastructure revolving loan fund.
Disaster Recovery Housing Assistance Program and Fund – Creates and funds the Disaster Recovery Housing Assistance program for the State. Includes directives for departments on putting the program together for homeowners and renters and requires a report back to the Legislature.	Disaster Recovery Housing Assistance Program and Fund – Creates and funds the Disaster Recovery Housing Assistance program for the State. Includes directives for departments on putting the program together for homeowners and renters and requires a report back to the Legislature.
Conforms with the federal government’s allowance for businesses to declare a bonus depreciation on equipment and capital assets in the first year.	Conforms with the federal government’s allowance for businesses to declare a bonus depreciation on equipment and capital assets in the first year.
Mental Health Funding – Phases out the Mental Health Property tax levy over 2 years. Uses general fund revenues to replace the funds through distribution to regions.	
Backfill Phaseout - Repeals the property tax backfill to local governments. The bill would cap it as of FY2022 and then repeal it as of July 1, 2029.	
Capital Gains – The trigger repeal affects Capital Gains, so this division specifies that sales occurring prior to 1/1/2023 are governed by the 2019 tax bill’s instructions and sales after that date are governed under the current law.	
Downtown Loan Guarantee Program created to encourage downtown businesses and banks to reinvest and reopen following the COVID-19 pandemic.	

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Inserts the Manufacturing 4.0 provisions of HF 789. Creates a Manufacturing 4.0 investment fund for eligible manufacturers.	
Beginning Farmer Tax Credit Expansion – Makes a number of changes to the program.	
Raises the school foundation percentage from 87.5% up to 88.4%. This would lower property taxes since the part of school funding that would need to come from local property taxes would fall from 12.5% to 11.6%.	
Public Education and Recreational Tax Levy - repeals the voter approved Public Education and Recreational Tax Levy, a local imposed tax of up to 13-1/2 cents per \$1,000 of assessed value to fund public recreation and community education purposes. The division would alter the list of allowable uses of the school's SAVE penny to allow the school to fund some of those purposes through that function.	
Elderly Property Tax Credit - Modifies the Elderly Property Tax Credit eligibility to make the credit available to applicants over 70 years of age who have a household income of less than 250 percent of the federal poverty rate.	
Public Transit Levy - Allows regional transit districts and urban transit systems to take to voters an additional hotel/motel tax of up to the 5%. New revenues would need to be directed toward property tax relief for the first two years.	
	School Tuition Organization Tax Credit – Increases from 65% to 87% over 4 years the amount of voluntary cash or noncash contribution that may be claimed as a tax credit. Increases from \$15 million to \$20 million over 4 years the aggregate amount of school tuition organization tax credits that may be claimed.
	Rural Economic Development - Establishes tax incentives for economic development in rural communities. The bill contains several criteria with thresholds for assistance.
	Septic Pumping - Prohibits counties from requiring a fee for a resident's noncompliance regarding septic tank pumping.
	Volunteer Tax Credit - Raises the annual income tax credit from \$100 to \$250 for

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	Reserve Peace Officers and Volunteer Firefighters and Emergency Medical Services personnel.
	Food Banks – Provides a sales tax exemption to nonprofit food banks.
	Digital Products Sales Tax – Exempts from sales tax the purchase of specified digital products by municipally owned utilities or by rural electric cooperatives.
	Consumer Loans – Changes the maximum rate of a consumer loan from 21 percent to the maximum rate authorized by the federal Military Lending Act, which is currently 36 percent. (?)
	Taxpayer Relief Fund – If the Taxpayer Relief Fund should meet or exceed \$120 million, the entire balance will be transferred to the Taxpayer Relief Tax Credit Fund to provide income tax credits to Iowans.
	Economic Emergency Excess – Allows certain funds remaining, after transfers to the cash reserve fund, debt payments and the economic emergency fund, to be transferred to the State’s General Fund and the Taxpayer Relief Fund.
	Extends the Targeted Jobs Withholding Credit Program by 5 years (to June 30, 2026).
	Income Tax Checkoffs – Extends the current four checkoffs.