

	CURRENT		PROPOSED		EXPLANATION
	PROGRAM	ALLOCATION	PROGRAM	ALLOCATION	
BUSINESS DEVELOPMENT INCENTIVES (create \$110 million cap)	High Quality Jobs (HQJ)	\$68 million	Business Incentives for Growth (new)	\$50 million	(\$18 million) Sunset the HQJ program and replace it with Business Incentives for Growth that better addresses industry needs and helps them compete. In addition, sunset the supplemental R&D credit available through HQJ.
	Angel Investor Tax Credit (tax credits for investments in qualifying businesses) + Innovation Fund Tax Credit	\$10 million total (\$2 million for Angel Investor + \$8 million for Innovation Fund)	Seed Investor Tax Credit (new) + Innovation Fund Tax Credit (existing)	\$10 million	Status Quo Sunset the Angel Investor program. Create a new Seed Investor program. The combined cap for the new program and the existing Innovation Fund Tax Credit program would be \$10 million. Reduce the Innovation Fund certification criteria to \$3 million from \$15 million. Both updates will provide an added benefit for rural Iowa. The Angel Investor program will need a \$320,000 allocation to complete the waiting list for applications received before April 1, 2022.
	Renewable Chemical Production Tax Credit (RCPTC)	\$5 million	RCPTC (existing) + Sustainable Aviation Fuel Production Tax Credit (SAFPTC) (new)	\$10 million	\$5 million The existing RCPTC and new SAFPTC would be under a combined cap of \$10 million. The establishment of the SAFPTC program conveys that Iowa is a key contender for SAF projects.
	Research Activities Credit (RAC)	No Cap	Research & Development Tax Credit (R&D)	\$40 million	New cap Sunset the RAC program administered by IDR and replace it with an R&D credit administered by IEDA. The new program would be limited to specific key industries, require an application process and capped at \$40 million per fiscal year.
	Major Economic Growth Attraction (MEGA)	N/A		Status Quo	N/A Clean up sales and use tax refund on construction materials to allow quarterly claims.
	Targeted Jobs Withholding Tax Credit (TJ)	No Cap	Sunset – 2027	N/A	Approx. savings of \$2.2 million The TJ program is set to sunset in 2027. Limit the amount of withholding tax credit to 1.5% until then with no agreements longer than the sunset.
	Assistive Device Tax Credit	No Cap	Repeal	N/A	N/A The incentive is not utilized.

	CURRENT		PROPOSED		FISCAL IMPACT	EXPLANATION
	PROGRAM	ALLOCATION	PROGRAM	ALLOCATION		
COMMUNITY DEVELOPMENT	Workforce Housing Tax Credit (WHTC)	\$35 million		\$43 million	\$8 million	Short-term cap increase – FY 26: \$43 million, FY 27: \$40 million, FY 28: back to \$35 million.
	Redevelopment Tax Credit (Brownfield/Grayfield)	\$15 million		\$15 million	Status Quo	Replace existing audit/verification process with an exam in accordance with AICPA standards, consistent with WHTC and Historic.
	Historic Preservation Tax Credit	\$45 million		\$45 million	Status Quo	Update program language, including ineligibility for owner-occupied residential projects.
PROGRAM UPDATES	N/A	N/A	Iowa Film Production Incentive Program (HF2662)	\$10 million	\$10 million	Establish two-year pilot program under IEDA to encourage and better compete for in-state film production.
	Endow Iowa	\$6 million	Repeal	\$6 million	(\$6 million)	Transfer the Endow Iowa program allocation to supplement the WHTC program.
	Employer Childcare Tax Credit	\$2 million	Repeal	\$2 million	(\$2 million)	Enacted in 2022 and no applications have been received. The allocation would transfer to supplement the WHTC program.