

# IA S 657, Enacted

Iowa

SUMMARY: Relates to the aggregate tax credit limit for certain business development programs; provides for allocations to business development programs; relates to renewable chemical production tax credits; relates to the Research and Development Tax Credit Program, the Business Incentives for Growth Program, and the High Quality Jobs Program; provides that, with certain exceptions, the Economic Development Board shall not award in any one year an amount of redevelopment tax credits that exceed a specified amount.~SAME AS:

Changes in Bill text reflected as:

~~Text Deleted~~

**Text Added**

~~Text Vetoed~~

Current Legislative Status

05/12/2025 INTRODUCED.

05/13/2025 In SENATE. Filed Amendment No. S-3175

05/13/2025 In SENATE. Adopted Amendment No. S-3175

05/13/2025 Passed SENATE. \*\*\*\*\*To HOUSE.

05/14/2025 In HOUSE. Amendment H-1351 filed and lost.

05/14/2025 Passed HOUSE.

05/22/2025 Eligible for GOVERNOR'S desk.

05/23/2025 \*\*\*\*\*To GOVERNOR.

06/06/2025 Signed by GOVERNOR.

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session: Iowa 91st Iowa General Assembly - First Session

cite: 2025 IA S 657

Enacted

June 6, 2025

Ways and Means

STATE OF IOWA

GENERAL ASSEMBLY

Senate File 657

AN ACT

RELATED TO STATE TAXATION AND FINANCE AND OTHER RELATED MATTERS, BY CREATING, MODIFYING, AND ELIMINATING TAX CREDITS AND TAX INCENTIVE PROGRAMS, PROVIDING FOR PENALTIES, AND INCLUDING EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISIONS.

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

\*\*\*TEXT OMITTED, DOES NOT PERTAIN TO FILM\*\*\*

DIVISION IX

IOWA FILM PRODUCTION INCENTIVE PROGRAM AND FUND

Sec. 78. NEW SECTION. 15.517 Iowa film production incentive program.

1. As used in this section:

a. "Fund" means the Iowa film production incentive fund.

- b. "Program" means the Iowa film production incentive program.
- c. "Qualified expenditure" means an allowed expense, as determined by the authority by rule, that is incurred by a qualified production facility on or after July 1, 2025, but before July 1, 2027, for producing a qualified production.
- d. "Qualified production" means a feature film, television series, documentary, or unscripted series that is rated G, PG, PG-13, or R by the classification and ratings administration of the motion picture association of America or the TV parental guidelines monitoring board.
- e. "Qualified production facility" or "facility" means any of the following:
- (1) A dedicated studio located in this state at which qualified productions can be produced.
  - (2) A studio located in this state at which all preproduction and film production take place for a qualified production filmed on location in this state.
  - (3) A company that has, in the three consecutive years immediately preceding an application for a rebate, had the company's principal place of business in this state and produced a qualified production.
2. a. The authority shall establish and administer an Iowa film production incentive program for the purpose of providing rebates to qualified production facilities for qualified expenditures.
- b. The authority shall establish eligibility criteria for the program by rule.
- (1) The eligibility criteria for qualified production facilities must require that a facility have an agreement between the authority and the facility that the phrase "filmed in Iowa" appears noticeably in the credits of the qualified production.
  - (2) The eligibility criteria for a qualified production must include:
    - (a) A total production budget of at least one million dollars, including at least five hundred thousand dollars in qualified expenditures, and evidence that the total production budget is fully funded.
    - (b) Availability to the public for viewing at a venue where admission is charged, or availability for purchase, for rental, or through a streaming service that requires a subscription.
  - (3) The eligibility criteria for qualified expenditures must include the following:
    - (a) The requirements for substantiation of expenses and submission of expenses for industry standard activities including expenses for cast members, equipment, studio production facilities, hospitality services, certified public accountant services, per diem payments, payments to businesses located in this state, accommodations, and any other expenses allowed by the authority. Qualified expenditures shall not include expenses for entertainment, studio executive airfare, royalties, and publicity for the qualified production.
    - (b) Documentation that all qualified expenses were incurred following approval of the application for rebate by the authority.
3. An application for a rebate under the program shall be submitted by a qualified production facility to the authority for approval in the form and manner prescribed by the authority. In determining whether to approve a rebate, the factors the authority may consider include but are not limited to all of the following:
- a. The extent to which the applicant will participate in training, education, and recruitment programs that are organized in cooperation with interested Iowa colleges and universities, and that are designed to promote and encourage the training and hiring of Iowa residents.
  - b. Whether the rebate will incentivize a qualified production facility to choose an Iowa location for its qualified production rather than an out-of-state location.
  - c. The likelihood that approval of the rebate will result in an overall long-term positive impact to the state.
4. a. If a qualified production facility's application is approved by the authority, the maximum rebate paid to the facility under the program shall equal thirty percent of the facility's documented qualified expenditures excluding any sales, use, and hotel and motel taxes paid.
- b. Prior to disbursement of the rebate, a qualified production facility shall submit all of the following to the authority at the expense of the facility:
- (1) An examination of the qualified expenditures completed by a certified public accountant, as defined in section

542.3, in accordance with the currently effective statements on standards for attestation engagements established by the American institute of certified public accountants.

(2) A statement of the final amount of qualified expenditures.

(3) Any other information the authority deems necessary to ensure compliance with this section.

5. a. An Iowa film production incentive fund is created in the state treasury under the control of the authority. The fund shall consist of moneys appropriated to the authority and any other moneys available to, obtained by, or accepted by the authority for placement in the fund. The fund shall be used to provide rebates under the program.

b. The cumulative value of rebates claimed by qualified production facilities pursuant to this section shall not exceed four million dollars.

c. Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

6. The authority shall not use more than five percent of the moneys in the fund at the beginning of each fiscal year for purposes of administrative costs, technical assistance, and other program support.

7. The authority shall adopt rules pursuant to chapter 17A to administer this section.

8. This section is repealed July 1, 2027.

Sec. 79. CODE EDITOR DIRECTIVE. The Code editor shall designate section 15.517, as enacted in this division of this Act, as part 34 of subchapter II.

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