

IOWA **Department of REVENUE**

Iowa's 2010 Tax Credit Claims

Tax Credits Program Report

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I. Introduction

During the 2005 Legislative Session, the Tax Credit Tracking and Analysis Program (TCTAP) was established. As a result of this program, the IA 148 Tax Credits Schedule was created to allow the Department of Revenue to track the various nonrefundable and refundable tax credits claimed by Iowa taxpayers. This form was introduced in tax year 2006 and is required for all taxpayers making a claim of certain tax credits.¹ The tax year 2010 IA 148 schedule and its instructions can be found in the appendix of this paper. This paper reports the key details about claims of “other nonrefundable” and “other refundable” tax credits made by taxpayers for the 2010 tax year, which is the most recent complete tax year currently available.

These details include information about tax credit claims by tax type and tax credit type. For nonrefundable tax credit claims, information about the amount of credits carried forward from previous tax years, the amount of new tax credits available, the amount of tax credits used to reduce tax liability, the amount of tax credits expired, and the amount of tax credits carried forward to subsequent tax years are provided. For refundable tax credits, the amount of claims for the current tax year are provided, as well as additional information about the amount of the credit actually refunded to the taxpayer claiming the credit.

For awarded tax credits, taxpayers receive tax credit certificates to include with their tax return. As part of the TCTAP, each of these tax credit certificates is required to have a unique twelve digit tax credit certificate number. This certificate number should also be included on the IA 148 Tax Credits Schedule.

In order for the data from the IA 148 to be useful for tracking claims, calculating statistics, and accurate reporting about those claims, it was necessary to clean and verify the data that was collected. Every tax credit claim reported on the IA 148 was examined and corrections were made to the claims when errors were identified. In some cases, cleaning the data involved looking at the filed tax return in order to attempt to identify which tax credit type the taxpayer intended to claim. For tax credit claims where the certificate number had inadvertently been omitted, the missing tax credit certificate number was determined and added to the claim when possible.

In some instances it was determined that a tax credit was claimed in error. Some billings have been sent to taxpayers for the errors made on their tax returns. Because of these efforts, it is possible that as billings are paid and the corresponding tax credit claims are corrected, and as more returns are reviewed, that the numbers presented in this report may change. Updated summary information for tax year 2010 is provided and reflects updated information that has been received from taxpayers, including payments for incorrectly claimed credits. The amounts and statistics presented in this report are based on the data available through March 2013.

This report contains a brief description of the tax credits that must be reported on the IA 148. A detailed description of the various tax credits can be found in the Tax Credit User’s Manual, which is located on the web at: <http://www.state.ia.us/tax/taxlaw/IDRTaxCreditsUsersManual.pdf>.

¹ Tax credits that were claimed on a separate line on the IA 1040 are not included in this report. These credits are the Child and Dependent Care Tax Credit, Early Childhood Development Tax Credit, Earned Income Tax Credit, Motor Vehicle Fuel Tax Credit (which also has a separate line on the IA 1120), and Tuition and Textbook Tax Credit.

II. Nonrefundable Tax Credit Claims

There were just over 36,900 nonrefundable tax credit claims made against all tax types in 2010 as reported on the IA 148. These claims totaled over \$103.2 million in reduced tax liability. Claims were made against individual income tax, fiduciary tax, corporate income tax, franchise tax (paid by banks in Iowa), insurance premium tax, and replacement tax. There were \$135.3 million in nonrefundable tax credits that were carried forward to subsequent tax years. These claims include administrative and non-administrative tax credits.

Nonrefundable Administrative Tax Credits

Three nonrefundable tax credits are considered administrative because they exist to prevent double taxation or the taxation of income earned outside of Iowa. These tax credits are the Franchise Tax Credit, the Minimum Tax Credit, and the S-Corporation Apportionment Tax Credit. All three of these tax credits can be claimed against individual income tax, but only the Franchise Tax Credit and the Minimum Tax Credit can be claimed against corporate income tax.

These administrative tax credit claims totaled \$62.8 million in tax year 2010, with \$58.3 million of that amount being claimed against individual income tax. Nonrefundable administrative credits accounted for 47.1 percent of the number of nonrefundable tax credit claims and 60.8 percent of the nonrefundable tax credit dollars claimed.

Franchise Tax Credit

The Franchise Tax Credit can be taken by the shareholders in a bank when the bank is organized as an S corporation or as a limited liability company. The amount of the credit is equal to the pro-rata share of the Iowa franchise tax paid by the institution. Any unused credit cannot be carried forward to subsequent tax years.

In tax year 2010, there were 2,514 claims of the Franchise Tax Credit made against both tax types. There were 2,510 claims totaling \$15.8 million made against individual income tax and 4 claims totaling \$8,252 made against corporate income tax.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

	Number of Tax Credit Claims	Amount of Tax Credits Applied in Tax Year	Amount of Expired Tax Credits
2006	2,156	\$11,260,834	\$1,416,164
2007	2,472	\$12,166,719	\$1,472,850
2008	2,548	\$11,643,697	\$2,251,119
2009	2,547	\$12,048,673	\$1,633,276
2010	2,514	\$15,759,023	\$1,400,847

Minimum Tax Credit

The Minimum Tax Credit can be claimed by taxpayers who paid Iowa minimum tax in prior years.

Minimum Tax Credit claims totaled \$6.9 million in tax year 2010. This total was comprised of 12,267 claims against individual income tax totaling \$2.4 million and 90 claims against corporate income tax totaling \$4.4 million. The steady increase in the number of claims is likely due to more taxpayers being able to claim the credit after earning the credit in prior years, but not being able to utilize the

credit due to their tax situation. The identification of taxpayers carrying credits forward has also increased as more years of data become available.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

	Number of Tax Credit Claims	Amount of Tax Credits Applied in Tax Year	Amount of Tax Credits Carried Forward to Next Tax Year
2006	4,017	\$4,758,731	\$17,349,915
2007	5,636	\$5,073,480	\$11,393,115
2008	8,278	\$4,757,765	\$12,846,174
2009	10,383	\$3,726,816	\$18,290,990
2010	12,267	\$6,867,313	\$20,723,878

S-Corporation Apportionment Tax Credit

The S-Corporation Apportionment Tax Credit can be claimed by resident shareholders of S corporations which conduct business within and outside Iowa. Any unused credit cannot be carried forward to subsequent tax years.

The total number of S-Corporation Apportionment Tax Credit claims against individual income tax in tax year 2010 was 2,594. These claims totaled \$40.2 million.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

	Number of Tax Credit Claims	Amount of Tax Credits Applied in Tax Year	Amount of Expired Tax Credits
2006	2,378	\$48,850,757	\$167,595
2007	2,533	\$39,361,116	\$293,856
2008	2,613	\$41,292,303	\$221,496
2009	2,347	\$32,224,656	\$1,011,621
2010	2,594	\$40,164,594	\$354,401

Nonrefundable Tax Credit Claims by Tax Year

The number of nonrefundable tax credit claims in tax year 2010, excluding administrative credits, decreased by 0.02 percent from tax year 2009 and the amount of credits applied against tax liability in tax year 2010 decreased 35.5 percent from 2009. There was \$32.6 million less new credits reported by taxpayers than in the prior year. Fiscal year 2009 tax credit awards dropped by over \$50 million from fiscal year 2008. The largest drop was seen in awards issued by the Economic Development Authority. The decrease in nonrefundable tax credit claims and new awards are likely due to the downturn in the economy that occurred prior to tax year 2010. The economic downturn led to less economic activity generating tax credits.

It should be noted that there are many cases where the amount of credits carried forward from one tax year will not match the credits being carried forward the following year. For example, the amount

of credits carried forward into 2010 was \$10.1 million below the amount reported as carried forward from 2009. In most cases this is due to taxpayers forgetting to carry the credit forward or because taxpayers did not have a tax credit claim in the subsequent year and so they did not complete an IA 148. These numbers do not include the nonrefundable administrative tax credit claims.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2006	8,141	\$123,031,656	\$79,310,021	\$202,348,783	\$47,889,158	\$6,087,339	\$148,624,481
2007	11,436	\$136,254,853	\$72,872,528	\$209,175,068	\$70,596,011	\$2,427,295	\$136,195,596
2008	15,713	\$125,151,261	\$58,261,101	\$183,412,683	\$53,416,135	\$6,561,974	\$123,676,330
2009	19,587	\$105,823,810	\$77,404,778	\$183,228,847	\$62,626,383	\$1,787,807	\$118,906,885
2010	19,547	\$111,312,061	\$44,809,973	\$156,122,034	\$40,415,776	\$1,448,637	\$114,623,437

Nonrefundable Tax Credit Claims by Tax Type

In tax year 2010, there were 19,547 “other nonrefundable” tax credit claims made against Iowa taxes, including corporate income, franchise, individual income, insurance premium, and replacement taxes. Of the \$156.1 million of credits reported by taxpayers as available to be claimed in 2010, \$40.4 million were claimed, \$1.4 million expired, and \$114.6 million were carried forward to subsequent tax years. These numbers do not include the nonrefundable administrative tax credit claims.

Tax Type	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	334	\$51,157,250	\$13,303,645	\$64,460,895	\$13,005,573	\$1,333,705	\$50,145,324
Franchise Tax	40	\$7,444,332	\$2,355,070	\$9,799,402	\$2,656,322	\$0	\$7,143,080
Individual Income Tax	19,148	\$52,473,723	\$27,263,218	\$79,736,941	\$22,921,427	\$114,932	\$57,042,691
Insurance Premium Tax	23	\$236,756	\$1,162,015	\$1,398,771	\$1,106,429	\$0	\$292,342
Replacement Tax	2	\$0	\$726,025	\$726,025	\$726,025	\$0	\$0
Total	19,547	\$111,312,061	\$44,809,973	\$156,122,034	\$40,415,776	\$1,448,637	\$114,623,437

Corporate Income Tax

Just over 32 percent of the dollars claimed using other nonrefundable tax credits were claimed against corporate income tax. The number of tax credits claimed against corporate income tax accounted for 1.7 percent of the number of tax credit claims. The average tax credit claim applied to tax liability was \$38,939.

There were \$64.5 million in tax credits available to be claimed against corporate income tax in 2010. Over 79 percent of these dollars (\$51.2 million) were carried forward from previous tax years and \$13.3 million were tax credits first available for tax year 2010. Corporations applied \$13.0 million (20.2 percent of available credits) toward tax year 2010 tax liability. \$1.3 million of credits expired and \$50.1 million were carried forward to the next tax year.

In addition to the claims in the table above, there were three nonrefundable tax credit claims made against the corporate income tax that are not included because the taxpayers did not indicate which type of tax credit was being claimed. The tax credit claims totaled \$18,913. Because of the lack of detail, the claims will not be included in any further analysis.

Franchise Tax

Tax credit claims against franchise tax accounted for less than a quarter of one percent of the number of nonrefundable tax credit claims but 6.6 percent of the dollars of tax credit claims in 2010. The average tax credit claim reducing the tax liability against franchise tax was \$66,408.

There were \$9.8 million in tax credits available to be claimed against franchise tax in 2010. Almost 76 percent of these dollars (\$7.4 million) were carried forward from previous tax years and \$2.4 million were tax credits first available for tax year 2010. Banks applied \$2.7 million (27.1 percent of available credits) toward tax year 2010 tax liability. None of the credits expired and \$7.1 million were carried forward.

Individual Income Tax

Almost 98 percent of other nonrefundable claims were made against individual income tax (including fiduciary tax). Claims against individual income tax accounted for 56.7 percent of the dollars of nonrefundable tax credit claims. The average tax credit claim reducing the tax liability against individual income tax was \$1,197.

There were \$79.7 million in credits reported by taxpayers as available to be taken against individual income tax in 2010. \$52.5 million (65.8 percent) of those credits had been carried forward from a previous tax year and \$27.3 million were new credits available for 2010. Of the \$79.7 million in tax credits available, 28.8 percent or \$22.9 million were applied to reducing tax liability, \$0.1 million expired, and \$57.0 million (65.8 percent) of credits were carried forward to subsequent tax years.

In addition to the amounts claimed in the table above, there were 114 nonrefundable tax credit claims made against individual income tax that were not included because taxpayers did not indicate which type of tax credit was being claimed or they attempted to claim a type of credit for which no awards had been made and the correct type of claim could not be determined during the verification process. These tax credit claims totaled \$167,518. Because of the lack of detail, they will not be included in any further analysis. TCTAP has been working to determine the correct tax credit claim types.

Insurance Premium Tax

Less than 3 percent of the dollar amount of nonrefundable tax credit claims made in 2010 was made against insurance premium taxes, and those claims accounted for 0.1 percent of the total number of claims. The average tax credit claim made against insurance premium tax was \$48,106.

There were \$1.4 million dollars in tax credits available in 2010. Almost 17 percent of these credits (\$0.2 million) had been carried forward from previous tax years. Over 79 percent (\$1.1 million) of these credits were claimed and the remaining \$0.3 million were carried forward.

Replacement Tax

Tax credit claims made against replacement tax in 2010 accounted for less than 0.1 percent of the number of claims and 1.8 percent of the amount of claims. The average tax credit claim made against replacement tax was \$363,013.

There were \$0.7 million dollars in tax credits available in 2010. None of these credits had been carried forward from previous tax years and all of the credits were claimed with no credits being carried forward to subsequent tax years

Nonrefundable Tax Credit Claims by Credit Type

In tax year 2010, there were nineteen nonrefundable tax credit types that could be claimed using the IA 148 Tax Credits Schedule against various tax types. Three of these are administrative credits that were addressed in a previous section and will not be discussed again below.

As mentioned in the introduction, erroneous claims have been identified and are in the process of being resolved. In the interim, for nonrefundable credits, the incorrect claims are only reflected in the “Amount of Tax Credits Applied in Current Tax Year” field and all other fields are set to zero. Therefore it is possible for the total amount of credits applied to exceed the total amount of credits available in the following tables.

Agricultural Assets Transfer Tax Credit

An Agricultural Assets Transfer Tax Credit is awarded to taxpayers who rent or lease agricultural assets to a beginning farmer. The tax credit equals five percent of the amount paid to the taxpayer under the rental agreement or fifteen percent of the amount paid to the taxpayer from crops or animals sold when the payment to the taxpayer is exclusively made from the sale of crops or animals. Tax credit awards are issued by the Iowa Agricultural Development Authority. In 2010, awards were capped at \$6 million. This credit could first be claimed in tax year 2007.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	3	\$27,659	\$24,689	\$52,348	\$7,805	\$0	\$44,543
Individual Income Tax	685	\$2,272,630	\$3,391,850	\$5,664,480	\$1,781,267	\$0	\$3,883,334
Total	688	\$2,300,289	\$3,416,539	\$5,716,828	\$1,789,072	\$0	\$3,927,877

In tax year 2010, Agricultural Assets Transfer Tax Credit claims were made by 688 taxpayers. These taxpayers claimed 1,251 credits totaling \$1.8 million dollars. Almost 100 percent of the tax credits were claimed by individual income tax taxpayers. The average claim per individual income tax taxpayer was \$2,600. Of the total amount of credits available, just over 31 percent of the credits were applied to reduce tax liability and almost 69 percent were carried forward to a subsequent tax year.

Because this tax credit is an awarded tax credit, tax credit claims should have a certificate number included in the claim on the IA 148 Tax Credits Schedule. The claims with certificate numbers accounted for almost 100 percent of the dollars claimed. Credits were claimed under 1,011 different certificate numbers tax credit awards claimed. Multiple claims can be made under a single certificate number in the case of awards made to partnerships or limited liability companies.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years. Credits not applied in the awarded year can be carried forward five years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2007	352	\$0	\$1,308,158	\$1,308,158	\$656,262	\$0	\$651,896
2008	784	\$646,029	\$2,115,207	\$2,761,236	\$1,315,109	\$0	\$1,446,131
2009	994	\$1,351,120	\$2,393,625	\$3,744,745	\$1,366,241	\$0	\$2,378,504
2010	1,251	\$2,300,289	\$3,416,539	\$5,716,828	\$1,789,072	\$0	\$3,927,877

Charitable Conservation Contribution Tax Credit

A Charitable Conservation Contribution Tax Credit is available to individual and corporate taxpayers who make an unconditional charitable donation of a qualified real property interest located in Iowa to a qualified organization exclusively for conservation purposes. The tax credit equals fifty percent of the fair market value of the donated property. No award is required for this tax credit. The taxpayer claims the credit, if eligible, on the individual income tax or corporate income tax return. This credit could first be claimed in tax year 2008.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	1	\$11,416	\$0	\$11,416	\$2,211	\$0	\$9,205
Individual Income Tax	69	\$730,575	\$1,501,405	\$2,231,980	\$376,365	\$0	\$1,857,147
Total	70	\$741,991	\$1,501,405	\$2,243,396	\$378,576	\$0	\$1,866,352

In tax year 2010, Charitable Conservation Contribution Tax Credit claims were made by 70 taxpayers. These taxpayers claimed credits totaling \$0.4 million dollars. All but one of the tax credits were claimed by individual income tax taxpayers. The average claim per individual income tax taxpayer was \$5,455. Of the total amount of credits available, nearly 17 percent of the credits were applied to reduce tax liability and 83 percent were carried forward to a subsequent tax year.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2008	18	\$0	\$743,064	\$743,064	\$200,232	\$0	\$542,832
2009	47	\$486,470	\$767,292	\$1,253,762	\$438,635	\$0	\$815,127
2010	81	\$741,991	\$1,501,405	\$2,243,396	\$378,576	\$0	\$1,866,352

Economic Development Region Revolving Fund Tax Credit

An Economic Development Region Revolving Fund Tax Credit is issued to taxpayers who contribute to an economic development region revolving fund. The amount of the credit is equal to twenty percent of the contribution. Tax credit awards are issued by the Economic Development Authority.

There have been no awards made under this program. If an attempt was made by a taxpayer to claim this credit, additional information was requested from the taxpayer to determine the proper tax credit claim type.

Endow Iowa Tax Credit

An Endow Iowa Tax Credit is awarded to taxpayers who make an endowment gift to a qualified community foundation. A single taxpayer’s award cannot exceed five percent of the aggregate amount of awards (equal to \$135,000 in 2010). In 2010, the tax credit was equal to twenty-five percent of the endowment gift, which is an increase from twenty percent in 2009 and prior tax years. The total amount of tax credits awarded was capped at \$2.7 million plus a percentage of the tax imposed on the adjusted gross receipts from gambling receipts for the 2010 tax year. The tax credits are awarded by the Economic Development Authority. Credits could first be claimed in 2003.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	9	\$6,199	\$66,475	\$72,674	\$72,124	\$0	\$610
Franchise Tax	6	\$700	\$36,090	\$36,790	\$36,790	\$0	\$0
Individual Income Tax	1,485	\$1,716,630	\$2,888,448	\$4,605,078	\$2,829,874	\$2,910	\$1,776,548
Total	1,500	\$1,723,529	\$2,991,013	\$4,714,542	\$2,938,788	\$2,910	\$1,777,158

In tax year 2010, Endow Iowa Tax Credit claims were made by 1,500 taxpayers. These taxpayers claimed 2,100 credits totaling \$2.9 million dollars. Over 99 percent of the tax credits were claimed by individual income tax taxpayers. The average claim per individual income tax taxpayer was \$1,906. Of the total amount of credits available, just over 62 percent of the credits were applied to reduce tax liability and almost 38 percent were carried forward to a subsequent tax year.

Because this tax credit is an awarded tax credit, tax credit claims should have a certificate number included in the claim on the IA 148 Tax Credits Schedule. The claims with certificate numbers accounted for 99 percent of the dollars claimed. There were 1,766 tax credit awards claimed.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years. Credits not applied in the awarded year can be carried forward five years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2006	663	\$372,365	\$1,907,223	\$2,279,588	\$1,684,542	\$0	\$594,754
2007	920	\$534,145	\$1,814,836	\$2,349,081	\$1,548,579	\$0	\$802,112
2008	1,672	\$758,890	\$2,954,850	\$3,713,740	\$2,206,335	\$0	\$1,482,414
2009	1,867	\$1,467,719	\$2,102,098	\$3,569,817	\$1,871,160	\$0	\$1,699,375
2010	2,100	\$1,723,529	\$2,991,013	\$4,714,542	\$2,938,788	\$2,910	\$1,777,158

Film Expenditure Tax Credit

A Film Expenditure Tax Credit is awarded to taxpayers who have legitimate expenditures in an approved film project. The tax credit is equal to an amount not to exceed 25 percent of qualified expenditures on a qualified project. Tax credit awards are issued by the Economic Development Authority. These tax credits are transferable, meaning taxpayers awarded the credits can sell the tax credits to other taxpayers, including taxpayers filing a type of tax different from their own. Although the first awards for this credit were made in fiscal year 2008, the credits could be claimed beginning in tax year 2007 because that is when the activity resulting in the tax credit occurred.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	3	\$140	\$40,840	\$40,980	\$40,980	\$0	\$0
Individual Income Tax	16	\$75,056	\$384,343	\$459,399	\$327,993	\$0	\$131,406
Total	19	\$75,196	\$425,183	\$500,379	\$368,973	\$0	\$131,406

In tax year 2010, Film Expenditure Tax Credit claims were made by 19 taxpayers. These taxpayers claimed 26 credits totaling \$0.4 million dollars. Over 88 percent of the tax credits were claimed by individual income taxpayers. The average claim per individual income taxpayers was \$20,500. Of the total amount of credits available, nearly 74 percent of the credits were applied to reduce tax liability and about 26 percent were carried forward to a subsequent tax year.

Because this tax credit is an awarded tax credit, tax credit claims should have a certificate number included in the claim on the IA 148 Tax Credits Schedule. There were only three claims that did not have certificate numbers, but 100 percent of the dollars claimed had certificate numbers.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years. Credits not applied in the awarded year can be carried forward five years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2007	18	\$0	\$1,682,341	\$1,682,341	\$1,654,906	\$0	\$27,435
2008	31	\$27,238	\$8,477,662	\$8,504,900	\$8,190,842	\$0	\$314,058
2009	42	\$314,150	\$7,804,304	\$8,118,454	\$8,017,255	\$0	\$101,199
2010	26	\$75,196	\$425,183	\$500,379	\$368,973	\$0	\$131,406

Film Investment Tax Credit

A Film Investment Tax Credit is awarded to taxpayers who have invested in an approved film project. The tax credit is equal to an amount not to exceed 25 percent of the investment in the project, and not to exceed 25 percent of the qualified expenditures for a project. Tax credit awards are issued by the Economic Development Authority. These tax credits are transferable, meaning taxpayers awarded the credits can sell the tax credits to other taxpayers, including taxpayers filing a type of tax different from their own. Although the first awards for this credit were made in fiscal year 2008, the credits could be claimed beginning in tax year 2007 because that is when the activity resulting in the tax credit occurred.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Individual Income Tax	11	\$492	\$104,525	\$105,017	\$77,691	\$0	\$27,326
Total	11	\$492	\$104,525	\$105,017	\$77,691	\$0	\$27,326

In tax year 2010, Film Investment Tax Credit claims were made by 11 taxpayers. These taxpayers claimed 13 credits totaling \$77,691. All of the tax credits were claimed by individual income tax taxpayers. The average claim per individual income tax taxpayer was \$7,063. Of the total amount of credits available, nearly 74 percent of the credits were applied to reduce tax liability and about 26 percent were carried forward to a subsequent tax year.

Because this tax credit is an awarded tax credit, tax credit claims should have a certificate number included in the claim on the IA 148 Tax Credits Schedule. One hundred percent of the dollars claimed had certificate numbers.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years. Credits not applied in the awarded year can be carried forward five years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2007	117	\$0	\$248,416	\$248,416	\$236,846	\$0	\$11,601
2008	76	\$11,283	\$3,350,774	\$3,362,057	\$3,297,715	\$0	\$64,711
2009	39	\$63,803	\$7,048,247	\$7,112,050	\$7,110,701	\$0	\$1,390
2010	13	\$492	\$104,525	\$105,017	\$77,691	\$0	\$27,326

Historic Preservation and Cultural and Entertainment District Tax Credit

In tax year 2006, the Historic Preservation and Cultural and Entertainment District (HPCED) Tax Credit was a nonrefundable tax credit although the credit could be claimed as a refundable credit, but at a discounted rate. In tax year 2007, the credit was made fully refundable. The refundable credit will be addressed in a later section of this paper. The tax credits are issued by the Department of Cultural Affairs.

The 2006 claim data is presented in the table below, no claims have been made since that year.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2006	18	\$1,496	\$1,253,708	\$1,255,204	\$1,242,949	\$0	\$12,255

Enterprise Zone Housing Investment Tax Credit

The Housing Investment Tax Credit is a credit issued under the Enterprise Zone Program. The credit is equal to ten percent of investment directly related to the building or rehabilitating of single-family homes or multiple dwelling units in an area designated as an Enterprise Zone by the Economic Development Authority. The tax credits are awarded to taxpayers by the Economic Development Authority. These tax credits are transferable, meaning taxpayers awarded the credits can sell the tax credits to other taxpayers, including taxpayers filing a type of tax different from their own.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	13	\$1,042,742	\$836,636	\$1,879,378	\$895,809	\$20,886	\$962,683
Franchise Tax	3	\$0	\$1,480,848	\$1,480,848	\$1,444,288	\$0	\$36,560
Individual Income Tax	224	\$3,884,885	\$1,196,417	\$5,081,302	\$1,331,839	\$22,120	\$3,743,758
Insurance Premium Tax	2	\$0	\$357,960	\$357,960	\$260,686	\$0	\$97,274
Total	242	\$4,927,627	\$3,871,861	\$8,799,488	\$3,932,622	\$43,006	\$4,840,275

Over \$3.9 million in Housing Investment Tax Credits were claimed in 2010. These credits were claimed by 242 taxpayers claiming 298 credits. The average tax credit claimed against 2010 tax liability by a taxpayer was \$16,251. The average claim, excluding the many small claims made by individual income tax taxpayers, was almost \$144,488. Over 55 percent of tax credits available were carried forward to subsequent tax years.

Claims for this credit should include a certificate number. Almost 46 percent of the claims made had a valid certificate number for their claim, which accounted for almost 100 percent of the dollars claimed.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years. Credits not applied in the awarded year can be carried forward seven years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2006	113	\$1,752,940	\$4,030,513	\$5,783,453	\$3,795,533	\$2,441	\$1,985,479
2007	252	\$1,973,053	\$5,510,596	\$7,483,649	\$4,262,934	\$42,388	\$3,178,327
2008	334	\$3,041,352	\$7,100,988	\$10,142,340	\$4,578,259	\$93,155	\$5,470,970
2009	338	\$4,801,293	\$3,933,901	\$8,735,194	\$3,846,876	\$104,649	\$4,783,788
2010	298	\$4,927,627	\$3,871,861	\$8,799,488	\$3,932,622	\$43,006	\$4,840,275

Investment Tax Credit

An Investment Tax Credit (ITC) is awarded by the Economic Development Authority to businesses who complete an agreement to create or expand their business and/or create jobs in Iowa. The amount of the credit is generally no more than ten percent of the business' investment. An Investment Tax Credit could have been awarded under four different tax incentive programs. These programs are: the Enterprise Zone Program (EZ), the High Quality Jobs Program (HQJP), the New Capital Investment Program (NCIP), and the New Jobs and Income Program (NJIP). More detailed information on these programs can be found in the Tax Credits User's Manual.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	133	\$43,986,379	\$9,772,552	\$53,758,931	\$8,479,021	\$1,205,798	\$44,078,604
Franchise Tax	2	\$7,150,000	\$1,839	\$7,151,839	\$104,438	\$0	\$7,047,401
Individual Income Tax	5,586	\$38,790,725	\$8,172,552	\$46,963,277	\$6,926,850	\$58,815	\$40,066,726
Insurance Premium Tax	1	\$236,756	\$0	\$236,756	\$41,688	\$0	\$195,068
Total	5,722	\$90,163,860	\$17,946,943	\$108,110,803	\$15,551,997	\$1,264,613	\$91,387,799

Over 5,700 taxpayers claimed \$15.6 million in Investment Tax Credits in tax year 2010. The claims were made against corporate income tax, franchise tax, individual income tax, and insurance premium tax, with almost 55 percent of claims being taken against corporate income tax and 45 percent being claimed against individual income tax. The average claim per taxpayer was \$2,718. The large number of individual income tax claims and the small average claim is likely due to pass-through entities passing the credit through to shareholders. Almost 85 percent of available credits were carried forward to a subsequent tax year. Almost 15 percent of credits were applied to 2010 tax liability and over one percent of tax credits expired.

Of the 9,125 tax credit claims made by 5,722 taxpayers, almost 90 percent included the required tax credit certificate number. The claims with certificate numbers accounted for almost 94 percent of the dollars applied toward tax liability. The certificate numbers that were provided attributed claims to 159 different tax credit awards under the four programs.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years. Credits not applied in the awarded year can be carried forward seven years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2006	4,330	\$108,390,222	\$64,754,629	\$173,151,957	\$33,465,450	\$6,084,722	\$133,601,785
2007	5,772	\$121,976,259	\$23,545,381	\$145,568,889	\$23,371,773	\$2,360,319	\$119,839,096
2008	7,145	\$108,802,067	\$20,451,439	\$129,253,506	\$21,942,048	\$6,375,246	\$100,943,733
2009	9,635	\$85,009,265	\$38,751,807	\$123,761,072	\$26,020,766	\$438,677	\$97,303,252
2010	9,125	\$90,163,860	\$17,946,943	\$108,110,803	\$15,551,997	\$1,264,613	\$91,387,799

Of the Investment Tax Credit claims that can be attributed to a particular tax incentive program, using the tax credit certificate number, almost 97 percent of the number of claims was awarded under either EZ or HQJP. Excluding the claims that could not be attributed to a tax incentive program, over 74 percent of the ITC dollars claimed were awarded under EZ and HQJP accounted for 65 percent of all dollars claimed. Credits claimed under EZ and HQJP reported the largest amount of credits carried forward. NJIP had the largest average tax credit claim at \$21,504. The program with the next highest average tax credit claim was NCIP with an average claim of \$4,525. HQJP replaced NCIP and NJIP in 2006, which explains why there are many more HQJP claims.

Program	Count by Certificate Number	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Enterprise Zone Program	3,218	\$24,880,272	\$6,536,246	\$31,416,518	\$4,593,442	\$36,659	\$26,790,641
High Quality Jobs Program	4,665	\$27,385,608	\$9,865,632	\$37,251,240	\$5,475,891	\$4,673	\$31,793,958
New Capital Investment Program	78	\$9,321,960	\$47,658	\$9,369,618	\$352,961	\$980,942	\$8,035,715
New Jobs and Income Program	195	\$14,318,941	\$80,213	\$14,399,154	\$4,193,282	\$240,838	\$9,969,383
Unknown Program	969	\$14,257,079	\$1,417,194	\$15,674,273	\$936,421	\$1,501	\$14,798,102
Total	9,125	\$90,163,860	\$17,946,943	\$108,110,803	\$15,551,997	\$1,264,613	\$91,387,799

Iowa Industrial New Jobs (260E) Tax Credit

In addition to the withholding tax credits that are available under the Iowa Industrial New Jobs Training Program (260E), income tax credits that can be claimed against individual and corporate income taxes are also available. The program's goal is to assist businesses that create new positions with new employee training. The tax credits are available to businesses that enter into a 260E agreement with Iowa Community Colleges.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	58	\$6,070,512	\$1,577,173	\$7,647,685	\$2,597,028	\$107,021	\$4,943,878
Individual Income Tax	1,079	\$1,760,302	\$1,009,067	\$2,769,369	\$842,999	\$25,704	\$1,900,666
Total	1,137	\$7,830,814	\$2,586,240	\$10,417,054	\$3,440,027	\$132,725	\$6,844,544

In 2010, 1,137 taxpayers claimed 1,246 260E Tax Credits. Total 260E Tax Credit claims equaled \$3.4 million in reduced tax liability. Individual income tax taxpayers claimed almost 95 percent of the number of claims, but corporate income tax taxpayers claimed over 75 percent of the dollars under this program. The average claim for taxpayers filing an individual income tax return was \$781. The average claim for corporate income tax taxpayers was \$44,776. Over 65 percent of the tax credits available in 2010 were carried forward to subsequent tax years.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years. Credits not applied in the awarded year can be carried forward ten years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2006	1,329	\$12,455,806	\$2,986,977	\$15,442,783	\$3,461,308	\$176	\$11,981,299
2007	1,392	\$11,352,170	\$3,265,525	\$14,618,033	\$4,052,625	\$24,588	\$10,540,867
2008	1,724	\$10,787,179	\$3,141,899	\$13,929,078	\$3,312,979	\$93,573	\$10,669,679
2009	1,714	\$9,735,786	\$1,933,565	\$11,669,610	\$2,285,661	\$1,238,417	\$8,145,585
2010	1,246	\$7,830,814	\$2,586,240	\$10,417,054	\$3,440,027	\$132,725	\$6,844,544

Redevelopment Tax Credit

The Redevelopment Tax Credit is available to taxpayers that invest in redeveloping a Brownfield or grayfield site. The amount of the tax credit is contingent upon the completion of the project and the submission of a project audit performed by an independent certified public account licensed in Iowa. The tax credit program cap was \$1 million for the 2010 fiscal year.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Franchise Tax	1	\$0	\$100,000	\$100,000	\$48,117	\$0	\$51,883
Individual Income Tax	3	\$0	\$62,277	\$62,277	\$32,388	\$0	\$29,889
Total	4	\$0	\$162,277	\$162,277	\$80,505	\$0	\$81,772

In tax year 2010, Redevelopment Tax Credit claims were made by four taxpayers. These taxpayers claimed four credits totaling \$80,505. The average claim per individual income taxpayer was \$10,796, while the average claim against franchise tax was \$48,117. Of the total amount of credits available, nearly half of the credits were applied to reduce tax liability and the other half were carried forward to a subsequent tax year.

The table below presents total claim information from tax year 2010. Credits not applied in the awarded year can be carried forward five years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2010	4	\$0	\$162,277	\$162,277	\$80,505	\$0	\$81,772

Renewable Energy Tax Credit

The Renewable Energy Tax Credit is available for a producer or purchaser of energy from an eligible renewable energy facility. The amount of the credit depends on the amount of energy generated. The facilities must be approved by the Iowa Utilities Board, but the tax credit awards are issued by the Department of Revenue. These tax credits are transferable, meaning taxpayers awarded the credits can sell the tax credits to other taxpayers, including taxpayers filing a type of tax different from their own.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	2	\$0	\$699,551	\$699,551	\$699,551	\$0	\$0
Franchise Tax	1	\$293,632	\$590,861	\$884,493	\$884,493	\$0	\$0
Individual Income Tax	18	\$1,560	\$68,188	\$69,748	\$5,966	\$0	\$63,782
Insurance Premium Tax	2	\$0	\$804,055	\$804,055	\$804,055	\$0	\$0
Total	23	\$295,192	\$2,162,655	\$2,457,847	\$2,394,065	\$0	\$63,782

Renewable Energy Tax Credits were claimed by taxpayers filing corporate income tax, franchise tax, individual income tax, and insurance premium tax returns. There were 23 taxpayers claiming 53 tax credits. Over 97 percent of the tax credits available in 2010 were used and only \$63,782 was carried forward.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years. Credits not applied in the awarded year can be carried forward seven years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2006	5	\$0	\$960,970	\$960,970	\$960,970	\$0	\$0
2007	15	\$0	\$909,490	\$909,490	\$721,571	\$0	\$187,954
2008	49	\$187,954	\$2,412,124	\$2,600,078	\$1,832,705	\$0	\$767,373
2009	27	\$767,373	\$2,321,842	\$3,089,215	\$2,768,378	\$0	\$320,872
2010	53	\$295,192	\$2,162,655	\$2,457,847	\$2,394,065	\$0	\$63,782

School Tuition Organization Tax Credit

The School Tuition Organization Tax Credit is available to taxpayers who make a voluntary contribution to a school tuition organization (STO). The amount of the credit is equal to 65 percent of the contribution made to the STO. The tax credits are awarded by the STO to which the contribution is made. In tax year 2010, there was a cap of \$7.5 million for the STO Tax Credit.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	18	\$0	\$194,471	\$194,471	\$188,983	\$0	\$5,488
Individual Income Tax	3,196	\$1,253,693	\$7,200,524	\$8,454,217	\$7,080,392	\$0	\$1,426,993
Total	3,214	\$1,253,693	\$7,394,995	\$8,648,688	\$7,269,375	\$0	\$1,432,481

In 2010, there were 3,214 taxpayers who claimed 4,019 tax credits. Total tax credit claims applied against tax liability were \$7.3 million. The average claim per taxpayer was \$2,262.

This is an awarded credit and a certificate number should be used to claim the credit. Information for all of the awards made under this program since its inception, in 2006, is available, so if a taxpayer did not include the certificate number, it was added to the claim while the claim was being reviewed. If

an award could not be found for the taxpayer or the taxpayer's spouse then a request was sent to the taxpayer for more information.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years. Credits not applied in the awarded year can be carried forward five years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2006	1,119	\$0	\$2,425,691	\$2,425,691	\$2,190,454	\$0	\$253,312
2007	2,022	\$239,335	\$4,824,812	\$5,064,147	\$4,474,549	\$0	\$591,253
2008	3,168	\$565,622	\$6,068,300	\$6,633,922	\$5,596,303	\$0	\$1,053,334
2009	3,793	\$1,001,923	\$7,306,500	\$8,308,423	\$6,868,457	\$0	\$1,444,293
2010	4,019	\$1,253,693	\$7,394,995	\$8,648,688	\$7,269,375	\$0	\$1,432,481

Venture Capital Tax Credit – Iowa Fund of Funds

The Venture Capital Tax Credit – Iowa Fund of Funds is a tax credit that is awarded to investors in the Iowa Fund of Funds when the return on their investments does not meet the guaranteed rate of return. If a taxpayer qualifies for the tax credit, awards will be issued by the Department of Revenue.

There have been no awards made under this program for tax year 2010 or prior tax years.

Venture Capital Tax Credit – Qualified Business or Community-Based Seed Capital Fund

The Venture Capital Tax Credit – Qualified Business or Community-Based Seed Capital Fund (VC-QBCSC) is awarded to taxpayers who make an equity investment into a qualifying business or community-based seed capital fund that is approved by the Iowa Capital Investment Board. The amount of the credit is equal to 20 percent of the investment. The VC-QBCSC requires taxpayers to wait three years before claiming the tax credit. Tax credit awards are issued by the Department of Revenue

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	11	\$51	\$90,133	\$90,184	\$184	\$0	\$90,000
Franchise Tax	6	\$0	\$145,000	\$145,000	\$137,800	\$0	\$7,200
Individual Income Tax	725	\$1,465,950	\$1,113,277	\$2,579,227	\$1,025,025	\$5,383	\$1,557,264
Total	742	\$1,466,001	\$1,348,410	\$2,814,411	\$1,163,009	\$5,383	\$1,654,464

In tax year 2010, 742 taxpayers claimed 926 VC-QBCSC tax credits. These tax credit claims totaled \$1.2 million. Most of the claims were made against individual income tax with the average claim by an individual being \$1,414.

Of the credits available to be claimed in 2010, over 41 percent were applied toward 2010 tax liability and almost 59 percent of the credits were carried forward. There were 784 claims that included tax credit certificate numbers, which accounted for almost 100 percent of the dollars claimed.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2006	295	\$28,156	\$580,779	\$608,935	\$447,104	\$0	\$161,831
2007	405	\$144,273	\$506,732	\$651,005	\$478,548	\$0	\$172,551
2008	486	\$211,074	\$1,280,968	\$1,492,042	\$742,688	\$0	\$749,354
2009	739	\$694,673	\$2,351,755	\$3,046,428	\$1,262,665	\$4,000	\$1,779,805
2010	926	\$1,466,001	\$1,348,410	\$2,814,411	\$1,163,009	\$5,383	\$1,654,464

Venture Capital Tax Credit – Venture Capital Funds

The Venture Capital Tax Credit – Venture Capital Funds (VC-VCF) is a tax credit equal to six percent of the equity investment made in a venture capital fund approved by the Iowa Capital Investment Board. Like the VC-QBCSC, the VC-VCF also requires taxpayers to wait three years before claiming the tax credit. The Department of Revenue issues the tax credit awards to the taxpayer.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Corporate Income Tax	4	\$12,152	\$1,125	\$13,277	\$2,964	\$0	\$10,313
Franchise Tax	1	\$0	\$375	\$375	\$375	\$0	\$0
Individual Income Tax	187	\$117,779	\$46,329	\$164,108	\$79,511	\$0	\$84,597
Total	192	\$129,931	\$47,829	\$177,760	\$82,850	\$0	\$94,910

There were 192 taxpayers who claimed 244 VC-VCF tax credits in 2010. The tax credit claims totaled \$82,850. Over 46 percent of the credits available in 2010 were applied to 2010 tax liability and over 53 percent were carried forward. The average claim for a taxpayer filing an individual income tax return was \$425. Certificate numbers are required for this awarded tax credit, and almost 96 percent of the claims were made using the certificate number.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years. Credits not applied in the awarded year can be carried forward five years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2006	28	\$30,671	\$399,133	\$429,804	\$397,783	\$0	\$32,021
2007	83	\$35,618	\$395,722	\$431,340	\$238,836	\$0	\$192,504
2008	127	\$106,453	\$141,977	\$248,430	\$119,756	\$0	\$128,674
2009	235	\$120,279	\$153,941	\$274,220	\$163,977	\$2,064	\$108,179
2010	244	\$129,931	\$47,829	\$177,760	\$82,850	\$0	\$94,910

Wind Energy Production Tax Credit

The Wind Energy Production Tax Credit is issued to electrical production facilities that produce electricity from wind. The credit is equal to \$0.01 per kilowatt-hour of electricity sold or generated for on-site consumption. The facilities are approved through the Iowa Utilities Board, but the credits are issued by the Department of Revenue. These tax credits are transferable, meaning taxpayers awarded the credits can sell the tax credits to other taxpayers, including taxpayers filing a type of tax different from their own.

Tax Type	Number of Taxpayers	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
Replacement Tax	1	\$0	\$726,025	\$726,025	\$726,025	\$0	\$0
Total	1	\$0	\$726,025	\$726,025	\$726,025	\$0	\$0

There was one taxpayer that claimed two Wind Energy Production Tax Credits in 2010. The tax credit claims totaled \$0.7 million and were completely used to reduce tax liability against replacement tax. Certificate numbers are required for this awarded tax credit, and both of the claims were made using the certificate number.

The table below compares total claim information from tax year 2010 to updated claim information from tax year 2009. Credits not applied in the awarded year can be carried forward seven years.

Tax Year	Number of Tax Credit Claims	Amount Carried Forward from Previous Tax Year	Amount of New Tax Credits for Current Tax Year	Total Amount of Tax Credits for Current Year	Amount of Tax Credits Applied in Current Tax Year	Amount of Expired Tax Credits	Amount of Tax Credits Carried Forward to Next Tax Year
2009	2	\$0	\$516,821	\$516,821	\$516,821	\$0	\$0
2010	2	\$0	\$726,025	\$726,025	\$726,025	\$0	\$0

III. Refundable Tax Credit Claims

There were over 2,900 refundable tax credit claims made in 2010 as reported on the IA 148. These claims totaled over \$98.5 million. Claims were made against corporate income tax, franchise tax, and individual income tax. There were \$65.5 million in refundable tax credits refunded to taxpayers in 2010. These claims include administrative and non-administrative tax credits.

Refundable Administrative Tax Credit

Claim of Right

The only refundable administrative tax credit claimed on the IA 148 Tax Credits Schedule is the Claim of Right Tax Credit. This credit can be taken if the taxpayer repaid income in the current tax year that was reported and taxed on a prior Iowa tax return.

The credit can only be claimed against individual income tax. In tax year 2010, there were 33 claims totaling \$40,851.

The table below compares total claim information from tax year 2009 to updated claim information from prior tax years.

	Number of Tax Credit Claims	Amount of Tax Credits Applied in Tax Year
2006	19	\$12,071
2007	22	\$17,930
2008	48	\$39,498
2009	29	\$42,329
2010	33	\$40,851

Refundable Tax Credit Claims by Tax Year

The number of refundable tax credit claims in tax year 2010 decreased almost one percent from tax year 2009, but the amount claimed increased by over 32 percent. The average claim increased by almost \$8,500. The biggest increase in the number of claims was seen for Historic Preservation and Cultural and Entertainment District Tax Credit which increased over 74 percent, and the amount of those claims increased by over 270 percent as a result of the tax credit cap being increased. These numbers do not include the refundable administrative tax credit claims.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credit Claims
2006	2,753	\$62,700,012
2007	4,371	\$81,927,363
2008	3,612	\$79,490,471
2009	2,951	\$74,289,735
2010	2,926	\$98,527,970

Refundable Tax Credit Claims by Tax Type

In 2010, there were 2,926 "other refundable" tax credit claims made against Iowa taxes. Refundable tax credit claims were made against corporate income tax, franchise tax, and individual income tax. These claims totaled almost \$98.5 million. These numbers do not include the refundable administrative tax credit claims.

Tax Type	Number of Tax Credit Claims	Amount of Tax Credit Claims
Corporate Income Tax	464	\$73,608,278
Franchise Tax	24	\$9,633,062
Individual Income Tax	2,438	\$15,286,630
Total	2,926	\$98,527,970

Corporate Income Tax

Other refundable tax credit claims made against corporate income tax in 2010 totaled over \$73.6 million. These 464 claims accounted for nearly 75 percent of the dollars claimed and almost 16 percent of the number of claims made. The average claim was \$158,639.

In addition to the amounts claimed in the table above, there were two refundable tax credit claims made against the corporate income tax that was not included because the taxpayer did not indicate which type of tax credit was being claimed. These tax credit claims totaled \$39,077. Because of the lack of detail, those claims will not be included in any further analysis.

Franchise Tax

In tax year 2010, there were 24 refundable tax credit claims made against franchise tax. These tax credit claims totaled \$9.6 million. While these claims accounted for less than one percent of the number of refundable tax credit claims, they accounted for almost 10 percent of the dollars claimed. The average refundable tax credit claim against franchise tax was \$401,378.

Individual Income Tax

There were 2,438 refundable tax credit claims made against individual income tax (including fiduciary) in 2010. These claims totaled \$15.3 million or almost 16 percent of refundable tax credit claim dollars. The average claim was \$6,270.

There were also 31 refundable tax credit claims made against individual income tax that were not included because taxpayers did not indicate which type of tax credit was being claimed. These tax credit claims totaled \$4,980. Because of the lack of detail, these claims will not be included in any further analysis.

Refundable Tax Credit Claims by Credit Type

In tax year 2010, there were eleven refundable tax credits that could be claimed using the IA 148 Tax Credits Schedule against various tax types. This includes the one administrative credit that will not be addressed in this section.

Assistive Device Tax Credit

The Assistive Device Tax Credit is available to taxpayers who operate a small business and purchase, rent or modify an assistive device or make workplace modifications for an individual with a disability who is employed or will be employed by the small business. The credit is limited to 50 percent of the first \$5,000 paid for the device or modification. The awards are issued by the Economic Development Authority.

There have been no awards made under this program since 2006. If an attempt was made by a taxpayer to claim this credit, additional information was requested from the taxpayer to determine the proper tax credit claim type.

Biodiesel Blended Fuel Tax Credit

The Biodiesel Blended Fuel Tax Credit is available to retail dealers who sell biodiesel blended fuel through motor fuel pumps during the tax year. The credit is equal to \$0.03 per gallon of biodiesel blended fuel sold. No award is required for this tax credit. The taxpayer claims the credit, if eligible, on the individual income tax or corporate income tax return.

Tax Type	Number of Taxpayers	Amount of Tax Credits Applied in Current Tax Year
Corporate Income Tax	17	\$2,081,407
Individual Income Tax	79	\$3,602,787
Total	96	\$5,684,194

There were 96 taxpayers who claimed 100 Biodiesel Blended Fuel Tax Credits in 2010. These tax credit claims totaled \$5.7 million. Of the \$5.7 million claimed, over \$3.5 million was issued in refunds to the taxpayer. Individual income tax filers claimed 83 percent of the number of credits, but only 63 percent of the amount of dollars claimed. The average claim for an individual income tax taxpayer was \$43,407 and the average claim for a corporate income tax taxpayer was \$122,436.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credits Applied in Current Tax Year
2006	72	\$2,173,218
2007	167	\$4,730,883
2008	154	\$4,673,630
2009	163	\$5,369,342
2010	100	\$5,684,194

E85 Gasoline Promotion Tax Credit

The E85 Gasoline Promotion Tax Credit is available to retail dealers of gasoline who sell E85 gasoline through motor fuel pumps during the tax year. The credit was equal to \$0.25 per gallon of E85 gasoline sold during calendar years 2006, 2007, and 2008. In calendar years 2009 and 2010, the amount of the credit was equal to \$0.20 per gallon of E85. No award is required for this tax credit. The taxpayer claims the credit, if eligible, on the individual income tax or corporate income tax return.

Tax Type	Number of Taxpayers	Amount of Tax Credits Applied in Current Tax Year
Corporate Income Tax	46	\$374,363
Individual Income Tax	167	\$1,078,899
Total	213	\$1,453,262

There were 213 taxpayers who claimed 232 E85 Gasoline Promotion Tax Credits in 2010. These tax credit claims totaled over \$1.4 million, of which \$1.2 million was paid out in refunds. Individual income tax filers claimed over 78 percent of the number of credits, and 74 percent of the amount of dollars claimed. The average claim for an individual income tax taxpayer was \$6,460 and the average claim for a corporate income tax taxpayer was \$8,138.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credits Applied in Current Tax Year
2006	109	\$518,811
2007	152	\$975,973
2008	208	\$1,368,284
2009	308	\$1,307,891
2010	232	\$1,453,262

Ethanol Blended Gasoline Tax Credit

The Ethanol Blended Gasoline Tax Credit was available to service stations at which more than 60 percent of the total gasoline sold was ethanol blended gasoline. The credit was equal to \$0.025 for each gallon of ethanol blended gasoline sold in excess of 60 percent. No award was required for this tax credit. The taxpayer claimed the credit, if eligible, on the individual income tax or corporate income tax return. This credit was replaced by the Ethanol Promotion Tax Credit in 2009.

The table below presents total claim information from tax years 2006 through 2009.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credits Applied in Current Tax Year
2006	974	\$6,356,167
2007	1,060	\$7,410,594
2008	1,078	\$5,761,465
2009	7	\$46,647

Ethanol Promotion Tax Credit

The Ethanol Promotion Tax Credit is available to service stations which sold ethanol blended gasoline. The amount of the tax credit varies depending on whether the biofuel threshold percentage is attained and how many gallons of motor fuel are sold in a year. No award is required for this tax credit. The taxpayer claims the credit, if eligible, on the individual income tax or corporate income tax return. This credit was first available January 1, 2009.

Tax Type	Number of Taxpayers	Amount of Tax Credits Applied in Current Tax Year
Corporate Income Tax	120	\$1,960,324
Individual Income Tax	701	\$1,714,110
Total	821	\$3,674,434

In tax year 2010, there were 821 taxpayers who claimed the Ethanol Promotion Tax Credit. The total amount of tax credits claimed \$3.7 million. Of the total amount claimed, \$2.3 million was refunded to taxpayers. On average, individual income tax taxpayers claimed \$2,445 and corporate income tax taxpayers claimed \$16,336.

The table below compares total claim information from tax year 2010 to updated claim information from the prior tax years.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credits Applied in Current Tax Year
2008	84	\$1,110,462
2009	978	\$4,623,015
2010	896	\$3,674,434

Historic Preservation and Cultural and Entertainment District Tax Credit

In tax year 2007, the Historic Preservation and Cultural and Entertainment District Tax Credit (HPCED) was made fully refundable. The credit is equal to 25 percent of qualified expenses used to preserve historic property in Iowa. In fiscal year 2010, the tax credit was capped at \$50 million, up from \$15 million in fiscal year 2009. The tax credits are issued by the Department of Cultural Affairs. These tax credits are transferable, meaning taxpayers awarded the credits can sell the tax credits to other taxpayers, including taxpayers filing a type of tax different from their own.

Tax Type	Number of Taxpayers	Amount of Tax Credits Applied in Current Tax Year
Corporate Income Tax	13	\$18,942,786
Franchise Tax	2	\$6,885,041
Individual Income Tax	59	\$5,416,829
Total	74	\$31,244,656

There were 74 taxpayers that claimed 108 HPCED credits totaling \$31.2 million in tax year 2010. \$21.5 million of the claims of this credit were paid to corporate and individual taxpayers as a refund. Individual income tax taxpayers claimed the highest number of credits, but the highest amount of claims was made against corporate income tax. Of the 108 tax credit claims, 105 included an issued certificate number.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credits Applied in Current Tax Year
2006	8	\$3,609,393
2007	31	\$2,422,472
2008	45	\$9,568,683
2009	62	\$8,360,711
2010	108	\$31,244,656

Refundable Investment Tax Credit

A Refundable Investment Tax Credit was available under some of the economic development programs. The refundable credits were only issued to projects that were value-added agricultural or biotechnology projects. Refundable Investment Tax Credits were issued under the Enterprise Zone Program and the High Quality Jobs Program; these credits had an annual fiscal year cap of \$4 million, but was repealed, effective April 15, 2010. The credits were issued by the Economic Development Authority.

Tax Type	Number of Taxpayers	Amount of Tax Credits Applied in Current Tax Year
Corporate Income Tax	3	\$697,447
Individual Income Tax	88	\$48,946
Total	91	\$746,393

In tax year 2010, there were 91 taxpayers who claimed 132 Refundable Investment Tax Credit claims. The claims of these tax credits totaled \$0.7 million. Just over \$0.1 million of these tax credit claims were paid to taxpayers as a tax refund. The average claim by a taxpayer filing an individual income tax return was \$556. In contrast, the average claim for corporate taxpayer was \$232,482. These tax credits were claimed under 15 different certificate numbers which accounted for almost 100 percent of the dollars claimed.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credits Applied in Current Tax Year
2006	95	\$1,559,226
2007	187	\$3,665,735
2008	423	\$3,707,169
2009	85	\$2,020,999
2010	132	\$746,393

Research Activities Tax Credit

The Research Activities Tax Credit is available to taxpayers conducting research activities in Iowa. The credit is equal to 6.5 percent of Iowa's apportioned share of qualifying expenditures for increasing research activities. The credit can also be claimed using an alternative calculation method. If a taxpayer is eligible for the credit, it could be claimed in tax year 2010 by completing either the IA 128 or the IA 128S tax form.

Tax Type	Number of Taxpayers	Amount of Tax Credits Applied in Current Tax Year
Corporate Income Tax	209	\$34,704,611
Individual Income Tax	792	\$3,392,918
Total	1,001	\$38,097,529

There were 1,001 taxpayers claiming 1,052 Research Activities Tax Credits. These tax credit claims totaled \$38.1 million in tax year 2010. The amount refunded to taxpayers in 2010 was \$26.8 million or 70 percent of the dollars claimed. Individual income tax taxpayers accounted for 79 percent of the number of claims, but only nine percent of the dollars claimed. The average claim for a taxpayer filing individual income taxes was \$4,284 while the average claim for a corporate taxpayer was \$166,051.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credits Applied in Current Tax Year
2006	982	\$30,750,484
2007	1,344	\$36,812,533
2008	1,199	\$33,513,956
2009	948	\$33,559,267
2010	1,052	\$38,097,529

Supplemental Research Activities Tax Credit

The Supplemental Research Activities Tax Credit is available to taxpayers who have been approved by the Economic Development Authority under the Enterprise Zone Program, the High Quality Jobs Program, the New Capital Investment Program, or the New Jobs and Income Program. Depending on their agreement with the Economic Development Authority, in 2010 taxpayers could claim a Supplemental credit up to the amount of their Research Activities Tax Credit.

Tax Type	Number of Taxpayers	Amount of Tax Credits Applied in Current Tax Year
Corporate Income Tax	19	\$14,359,513
Individual Income Tax	104	\$758,591
Total	123	\$15,118,104

In tax year 2010, there were 123 taxpayers who claimed 128 Supplemental Research Activities Tax Credits totaling \$15.1 million. \$9.4 million of those claims were paid as tax refunds to the taxpayers. Similar to the Research Activities Tax Credit, individual taxpayers accounted for 85 percent of the number of claims, but only five percent of the dollars claimed. Because the Supplemental credit is an awarded credit, the claims should have included a tax credit certificate number. Over 97 percent of the dollars claimed included a certificate number. Claims were made using 31 different certificate numbers.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credits Applied in Current Tax Year
2006	189	\$13,112,536
2007	516	\$19,344,711
2008	140	\$17,061,614
2009	157	\$15,885,548
2010	128	\$15,118,104

Soy-Based Transformer Fluid Tax Credit

The Soy-Based Transformer Fluid Tax Credit was available to electric utilities that transitioned from using nonsoy-based transformer fluid to using soy-based transformer fluid. The amount of the credit was equal to the purchase and replacement costs relating to the transition. These costs could not exceed \$2 per gallon and the number of gallons eligible for the credit could not exceed 20,000 gallons per electric utility and could not exceed 60,000 gallons in the aggregate. The tax credit awards were issued by the Department of Revenue.

The history presents the claims made in 2007 as that is the only year that credits were claimed.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credits Applied in Current Tax Year
2007	6	\$23,641

Third Party Sales Tax Tax Credit

A Third Party Sales Tax Tax Credit is available to third-party developers involved in High Quality Jobs Program, New Capital Investment Program, or New Jobs and Income Program projects. The developer must submit completed forms to the Economic Development Authority for approval of the credit. The tax credit award is then issued, with a certificate number, by the Economic Development Authority.

Through tax year 2010, there have been no awards made under this program. If an attempt was made by a taxpayer to claim this credit, additional information was requested from the taxpayer to determine the proper tax credit claim type. There were no Third Party Sales Tax Tax Credit claims made in tax year 2010.

Wage-Benefit Tax Credit

The Wage-Benefit Tax Credit was available to businesses which created new jobs related to the location or expansion of a business in Iowa. The amount of the credit depends on the amount of annual wages and benefits, as a percent of the average county wage, paid to the employee hired and available for five years. In fiscal year 2007, the amount of awards was capped at \$10 million. In subsequent years, the amount of awards was capped at \$4 million. The credit was repealed July 1, 2008, but participating businesses with qualified new jobs in existence on June 30, 2008 are eligible to receive the tax credits for the remainder of the five year period. The tax credit awards are issued by the Department of Revenue.

Tax Type	Number of Taxpayers	Amount of Tax Credits Applied in Current Tax Year
Corporate Income Tax	15	\$486,531
Franchise Tax	1	\$2,748,021
Individual Income Tax	227	\$468,037
Total	243	\$3,702,589

There were 243 taxpayers who claimed 276 Wage-Benefit Tax Credits in tax year 2010. The claims totaled \$3.7 million. Of the \$3.7 million claimed, only \$0.5 million was paid to taxpayers as a tax refund. The average claim for a corporate taxpayer was \$32,435 while individual income tax taxpayers' average claim was \$2,062. Over 97 percent of the \$3.7 million in claims were filed with the required tax credit certificate number.

The table below compares total claim information from tax year 2010 to updated claim information from prior tax years.

Tax Year	Number of Tax Credit Claims	Amount of Tax Credits Applied in Current Tax Year
2006	316	\$4,615,518
2007	908	\$6,540,821
2008	281	\$2,725,208
2009	243	\$3,116,315
2010	276	\$3,702,589

IV. Results Summary

The summary of the tax credit claims made in tax year 2010 are separated into nonrefundable and refundable tax credit claims. For the nonrefundable tax credit claims, the table includes not only the amount of tax credits used to reduce tax liability in 2010, but also the amount being carried forward to subsequent tax years. The table for refundable tax credit claims includes both the amount of the claims made and the amount of claims that were refunded to taxpayers in 2010.

Summary of Nonrefundable Tax Credit Claims

	Amount of Tax Credits Applied in Current Tax Year	Amount of Tax Credits Carried Forward to Next Tax Year
Agricultural Assets Transfer Tax Credit	\$1,789,072	\$3,927,877
Charitable Conservation Contribution Tax Credit	\$378,576	\$1,866,352
Economic Development Region Revolving Fund Tax Credit	\$0	\$0
Endow Iowa Tax Credit	\$2,938,788	\$1,777,158
Film Expenditure Tax Credit	\$368,973	\$131,406
Film Investment Tax Credit	\$77,691	\$27,326
Franchise Tax Credit	\$15,759,023	\$0
Enterprise Zone Housing Investment Tax Credit	\$3,932,622	\$4,840,275
Investment Tax Credit	\$15,551,997	\$91,387,799
Iowa Industrial New Jobs (260E) Tax Credit	\$3,440,027	\$6,844,544
Minimum Tax Credit	\$6,867,313	\$20,723,878
Redevelopment Tax Credit	\$80,505	\$81,772
Renewable Energy Tax Credit	\$2,394,065	\$63,782
S Corporation Apportionment Tax Credit	\$40,164,594	\$0
School Tuition Organization Tax Credit	\$7,269,375	\$1,432,481
Venture Capital Tax Credit - Iowa Fund of Funds	\$0	\$0
Venture Capital Tax Credit - Qualified Business or Community-Based Seed Capital Fund	\$1,163,009	\$1,654,464
Venture Capital Tax Credit - Venture Capital Funds	\$82,850	\$94,910
Wind Energy Production Tax Credit	\$726,025	\$0
Total	\$102,984,505	\$134,854,024

Summary of Refundable Tax Credit Claims

	Amount of Tax Credits Applied in Current Tax Year	Amount Refunded
Assistive Device Tax Credit	\$0	\$0
Biodiesel Blended Fuel Tax Credit	\$5,684,194	\$3,531,189
Claim of Right Tax Credit	\$40,851	\$9,453
E85 Gasoline Promotion Tax Credit	\$1,453,262	\$1,165,781
Ethanol Promotion Tax Credit	\$3,674,434	\$2,296,941
Historic Preservation and Cultural and Entertainment District Tax Credit	\$31,244,656	\$21,547,385
Refundable Investment Tax Credit	\$746,393	\$142,510
Research Activities Tax Credit	\$38,097,529	\$26,814,910
Supplemental Research Activities Tax Credit	\$15,118,104	\$9,433,655
Third Party Sales Tax Tax Credit	\$0	\$0
Wage-Benefit Tax Credit	\$3,702,589	\$540,273
Total	\$99,762,012	\$65,482,097

V. Appendix - 2010 IA 148 Form and Instructions



2010 IA 148 Tax Credits Schedule

Name(s)	SSN or FEIN
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Part I — Nonrefundable Credits

	A Tax Credit Code (see instr.)	B Certificate Number (if applicable)	C Amount Carried Forward From Prior Years	D Current Year Amount (earned by taxpayer or received from pass-through entity)	E Total Credit Available (C+D=E)	F Amount Applied Current Year (may not exceed total tax liability)	G Expired Credit Amount	H Amount Carried Forward to Future Years (E-F-G=H)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Part II — Refundable Credits

	I Tax Credit Code (see instr.)	J Certificate Number (if applicable)	K Current Year Amount (earned by taxpayer or received from pass-through entity)
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Part I Total (Sum of column F; enter amount on line 53 of IA 1040, line 10, of IA 1040C, or line 2 of schedule C1 of IA 1120 or line 13 of IA 1120A)

Part III — Total Credits
(Does not apply to individual income tax)

(Sum of Totals Part I and Part II; enter amount on line 17 of IA 1120F, line 30 of IA 1041, or the miscellaneous line of the Iowa Insurance Premium Tax Return)

Part II Total (Sum of column K; enter amount on line 66 of IA 1040, line 14 of IA 1040C, or line 3 of schedule C1 of IA 1120 or line 14 of IA 1120A)

Part IV — Pass -Through Entity Schedule

L Line Number from Part I or Part II Above	M Pass-Through Entity Name	N Pass-Through Entity FEIN	O Taxpayer's Percentage Share of Credit Earned by Pass-Through Entity

2010 IA 148 Tax Credits Schedule Instructions

Attach the IA 148 Tax Credits Schedule to the tax return on which tax credits are being claimed. The tax credits schedule is used to claim tax credits against individual income tax, fiduciary income tax, corporation income tax, franchise tax, and insurance premium tax liabilities. Each credit should be entered on a separate line. Also, a separate line should be used for each unique tax credit certificate number.

Part I: Nonrefundable Tax Credits

Column A: Enter the tax credit code from the table below for the credit claimed on each line.

- 02 Economic Development Region Revolving Fund Credit (carry forward amounts only)
- 03 Endow Iowa Credit
- 04 Franchise Tax Credit (refer to worksheet IA 147)
- 06 Housing Investment Tax Credit
- 07 Investment Tax Credit (attach form IA 3468)
- 08 Iowa New Jobs Credit (attach form IA 133)
- 09 Minimum Tax Credit (attach form IA 8801 to IA 1040 and IA 1041; or form IA 8827 to IA 1120)
- 10 Renewable Energy Credit (476C)
- 11 S Corporation Apportionment Credit (attach form IA 134)
- 12 School Tuition Organization Credit
- 13 Venture Capital Credit-Fund of Funds
- 14 Venture Capital Credit-Qualified Business or Seed Capital Fund
- 15 Venture Capital Credit-Venture Capital Funds
- 16 Wind Energy Production Credit (476B)
- 17 Agricultural Assets Transfer Credit
- 18 Film Expenditure Tax Credit
- 19 Film Investment Tax Credit
- 20 Charitable Conservation Contribution Tax Credit
- 21 Redevelopment Tax Credit

Column B: Enter the tax credit certificate number received from the agency or organization that awarded the tax credit. Tax credits awarded before July 2006 may not have a certificate number. Several credits do not require the award of a tax credit certificate and/or number from an agency or organization.

The following nonrefundable credits do not require a certificate number:

- Charitable Conservation Contribution
- Franchise Tax Credit
- Minimum Tax Credit
- New Jobs Credit
- S Corporation Apportionment Credit

If the tax credit certificate does not have a certificate number, leave blank. For non-awarded credits, leave blank.

Column C: Enter any amount carried forward from previous tax years for each of the credits being claimed.

Column D: Enter the total amount of credit you earned directly or received from a pass-through entity (see definition of pass-through entity in instructions for Part IV) during the current tax year. The instructions for column A indicate if a credit requires a separate form. If the credit you are claiming lists a form number, please attach that form to your tax return. If a credit is received from a pass-through entity, Part IV must also be completed for the credit.

Column E: Add column C to column D and enter total in column E.

Column F: Enter the amount of each credit being applied to the current tax year. If credits available (the sum of column F) exceed total liability (line 52 of the IA 1040 for individual income tax), credits are to be claimed in the order provided in Iowa Administrative Rule 701-42.44 for individual income tax and fiduciary income tax, and Iowa Administrative Rule 701-52.12 for corporation income tax, franchise tax, and insurance premiums tax. (To view the text of these rules, go to www.legis.state.ia.us/ACO/IAChtml/701.htm and scroll down to 42.44 or 52.12). The total of column F may not exceed total tax liability.

Column G: If the entire credit is not claimed by the end of the carryforward period, the remaining credit expires. Enter the amount of any credit that has expired.

Column H: Enter the amount from column E less any amount from column F and/or column G.

2010 IA 148 Tax Credits Schedule Instructions

Part II: Refundable Tax Credits

Column I: Enter the tax credit code from the table below for the credit claimed on each line.

- 51 Assistive Device Credit
- 52 Biodiesel Blended Fuel Credit (attach form IA 8864)
- 53 Claim of Right Credit
- 55 E85 Gasoline Promotion Credit (attach form IA 135)
- 56 Historic Preservation Credit
- 57 Refundable Investment Tax Credit (attach form IA 3468)
- 58 Research Activities Credit (attach form IA 128 or form IA 128A)
- 59 Supplemental Research Activities Credit (attach form IA 128 or form IA 128A)
- 62 Third Party Sales Tax Credit
- 63 Wage-Benefit Credit
- 64 Ethanol Promotion Credit (attach form IA 137)

Column J: Enter the tax credit certificate number received from the agency or organization that awarded the tax credit. Tax credits awarded before July 2006 may not have a certificate number. Several credits do not require the award of a tax credit certificate and/or number from an agency or organization.

The following refundable credits do not require a certificate number:

- Biodiesel Blended Fuel Credit
- Claim of Right Credit
- E85 Gasoline Promotion Credit
- Ethanol Promotion Credit
- Research Activities Credit (if no supplemental credit is claimed under an Iowa Department of Economic Development program)

If the tax credit certificate does not have a number, leave blank. For non-awarded credits, leave blank.

Column K: Enter the total amount of credit you earned directly or received from a pass-through entity (see definition of pass-through entity in instructions for Part IV) during the current tax year. The instructions for column I indicate if a credit requires a separate form. If the credit you are claiming lists a form number, please attach that form to your tax return. If a credit is received from a pass-through entity, Part IV must also be completed for the credit.

Part III: Total Credits

Enter the sum of the total boxes for Part I and Part II. This total is entered on line 17 of IA 1120F, line 30 of IA 1041, or the miscellaneous line of the Iowa Insurance Premium Tax Return.

Part IV: Pass-Through Entity Schedule

Businesses that are organized as pass-through entities (such as partnerships, limited liability companies, cooperatives, S corporations, etc.) earn tax credits at the business level, but the credits are claimed by individuals and businesses that are members of the ownership group. For each line in Part I or Part II with a credit received from a pass-through entity, complete a corresponding line in Part IV to indicate the source of the credits. Part IV does not have to be completed for individuals claiming the S corporation apportionment credit.

Column L: Enter the line number from Part I or Part II that includes credits received from a pass-through entity. This includes any carryforward (column C) claimed from credits received in prior years from a pass-through entity.

Column M: Enter the name of the pass-through entity from which credits were received.

Column N: Enter the Federal Employer Identification Number (FEIN) of the pass-through entity from which credits were received. This FEIN should be the same number provided to the awarding agency or organization. It also should be the same FEIN used to complete any required information returns (such as form IA 1065 and Schedule K-1 for partnerships).

Column O: Enter the percentage share of credits earned by the pass-through entity that you are claiming. Enter the percentage with one decimal place.

2010 IA 148 Tax Credits Schedule Special Instructions

Related to Individual Income and Fiduciary Tax:

Individuals using filing status 3 (married filing separately on this combined return) must complete a separate form IA 148 for each spouse with credits to claim.

The list of credits included in the instructions for column A and column I include tax credits for all types of taxpayers. In 2010, individuals are allowed to claim all credits except the Third Party Sales Tax Credit and the Assistive Device Credit. All credits except the Third Party Sales Tax Credit and the Assistive Device Credit may also be claimed on fiduciary tax returns.

Related to Corporate Income Tax:

The list of credits included in the instructions for column A and column I include tax credits for all types of taxpayers. All of the credits except the Claim of Right Credit and the S Corporation Apportionment Credit are allowed to be claimed on corporate income tax returns. For tax years beginning on or after July 1, 2009, the School Tuition Organization Tax Credit can be claimed on corporation income tax returns.

Related to Franchise Tax:

The list of credits included in the instructions for column A and column I include tax credits for all types of taxpayers.

The following nonrefundable credits may be claimed against the franchise tax:

- Economic Development Region Revolving Fund Credit (carry forward amounts only)
- Endow Iowa Credit
- Housing Investment Tax Credit
- Investment Tax Credit
- Renewable Energy Credit
- Venture Capital Credit-Fund of Funds
- Venture Capital Credit-Qualified Business or Seed Capital Fund
- Venture Capital Credit-Venture Capital Funds
- Wind Energy Production Credit
- Film Expenditure Tax Credit
- Film Investment Tax Credit
- Redevelopment Tax Credit

The following refundable credits may be claimed against the franchise tax:

- Historic Preservation Credit
- Refundable Investment Tax Credit
- Third Party Sales Tax Credit
- Wage-Benefit Credit

The minimum tax credit is reported on line 16 of the IA 1120F and will not appear on the IA 148.

Related to Insurance Premium Tax:

The list of credits included in the instructions for column A and column I include tax credits for all types of taxpayers.

The following nonrefundable credits may be claimed against the insurance premium tax:

- Economic Development Region Revolving Fund Credit (carry forward amounts only)
- Endow Iowa Credit
- Housing Investment Tax Credit
- Investment Tax Credit
- Renewable Energy Credit
- Venture Capital Credit-Fund of Funds
- Venture Capital Credit-Qualified Business or Seed Capital Fund
- Venture Capital Credit-Venture Capital Funds
- Wind Energy Production Credit
- Film Expenditure Tax Credit
- Film Investment Tax Credit
- Redevelopment Tax Credit

The following refundable credits may be claimed against the insurance premium tax:

- Historic Preservation Credit
- Refundable Investment Tax Credit
- Third Party Sales Tax Credit
- Wage-Benefit Credit