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2009 IA 3468

Investment Tax Credit

Name(s)	SSN or FEIN

1. Qualifying new investment for eligible businesses .... 1. ________
2. Calculated credit. Multiply line 1 by the applicable percentage .... 2. ________
3. Investment Tax Credit carryforward from prior year(s) .... 3. ________
4. Pass-through Iowa Investment Tax Credit from partnership, S corporation, estate, or trust .... 4. ________
5. Total Investment Tax Credit. Add lines 2 through 4. .... 5. ________
6. Enter calculated state tax from line 19, IA 1120; or line 11, IA 1120A; or line 52, IA 1040; or line 26 less the credits on lines 27, 28, and 29, IA 1041 .... 6. ________
7. Allowable Investment Tax Credit. Enter the smaller of line 5 or line 6 and enter on the IA 148 Tax Credits Schedule. .... 7. ________
8. Expired Credit .... 8. ________
9. Total Carryforward Credit to 2010. Subtract lines 7 and 8 from line 5. .... 9. ________

Instructions

An Investment Tax Credit can be taken by eligible businesses for qualifying new investments. Those eligible businesses include the following, all of which must be approved by the Department of Economic Development as eligible businesses:

- Businesses qualified under the New Jobs and Income Program.
- Businesses qualified under the Enterprise Zone Program.
- Businesses qualified under the Housing Enterprise Zone Program.
- Businesses qualified under the Eligible Development Business Program.
- Businesses qualified under the New Capital Investment Program.
- Businesses qualified under the High Quality Job Creation Program.
- Businesses qualified under the High Quality Job Program.

The credit is determined by multiplying the qualifying new investment by 10%, except for the New Capital Investment Program, which has various rates of 1% - 5%, and the High Quality Job Creation Program, which has various rates of 1-10%, depending on the amount of qualifying investment and number of jobs created. New investment includes the cost of machinery and equipment purchased for use in the operation of the eligible business, and the cost of improvements to real property. New investment also includes the cost of land and any buildings and structures located on the land. The credit can be taken in the year the qualifying asset is placed in service. For businesses qualified on or after July 1, 2005, under the Enterprise Zone Program, High Quality Job Creation Program, or High Quality Jobs Program the investment tax credit is amortized over a 5-year period. For the Housing Enterprise Zone Program, the credit can be taken in the year the home is ready for occupancy.

Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven tax years or until depleted, whichever is earlier. Eligible businesses involved in the production of value-added agricultural products may elect to refund all or a portion of the unused credit by applying for a tax credit certificate from the Department of Economic Development.

Computation of Investment Tax Credit

Line 1. Enter the total amount of qualifying new investment for eligible businesses.

Line 2. Multiply amount on line 1 by the applicable percentage.

Line 3. Enter amount of Investment Tax Credit carryforward from prior year(s).

Line 4. If you received pass-through Investment Tax Credit(s) from a partnership, S corporation, estate, or trust, enter the amount of the credit(s) on this line. You must also include a copy of the IA 3468 for the partnership, S corporation, estate, or trust, and a schedule showing the apportionment to individual partners, shareholders, or beneficiaries.

Line 5. Total of lines 2 through 4.

Line 6. Enter the amount of the appropriate calculated state tax, line 19, IA 1120 (corporation return); line 11, IA 1120A (short form corporation return); line 52, IA 1040 (individual return); or line 26, IA 1041 (fiduciary return).

Line 7. The allowable Investment Tax Credit is the lesser of the calculated credit from line 5 or the calculated tax from line 6. Enter the lesser of these two amounts here and on IA 148 Tax Credits Schedule.

Line 8. Enter the amount of any allowable credit carryforward shown on line 3 for which the 7-year carryforward period has now expired.

Line 9. Subtract lines 7 and 8 from line 5. This is the carryforward credit to 2010.