

KNOXVILLE RACEWAY FACILITY TAX REBATE

Prior Law _____

No prior law.

New Provisions _____

A Raceway Facility Tax Rebate Fund is established under Iowa Code section 423.4. The Department will transfer sales and use tax receipts collected and remitted by retailers at a qualifying raceway facility into the Raceway Facility Tax Rebate Fund. The transfers will follow the procedure contained in Iowa Code section 423.2(11)(b).

The owner or operator of a qualifying raceway facility may apply to the Department for a rebate of the following:

1. Sales tax imposed and collected by retailers at the raceway facility; and
2. Sales and use tax on tangible personal property and services used in one project.

The total amount of rebates must not exceed the lesser of either 25% of the project costs, as determined by the Department, or \$2 million. Project costs are defined as “costs incurred by the owner or operator in connection with the planning, design, construction, and installation of property that becomes an integral part of the project under contract which project upon completion becomes part of the raceway facility, and other costs incurred by the owner or operator in connection with the project that are customarily associated with the renovation, remodeling, reconstruction, expansion, equipping, or improvement of real property.” This rebate is limited to one project per raceway facility.

A rebate shall not exceed the amounts transferred to the Raceway Facility Tax Rebate Fund. The transactions for which a rebate is sought must occur on or after January 1, 2015, but before January 1, 2025. The rebate ceases if a change in control of the raceway facility occurs.

The Act defines a “raceway facility.” Currently, the only establishment qualifying as a “raceway facility” is the Knoxville Raceway.

Section Amended _____

Section 1 of 2014 Iowa Acts House File 2464 adds new Iowa Code section 423.2, subsection 11, paragraph b, subparagraph 7, Code 2014. Section 2 of House File 2464 adds now Iowa Code section 423.4, subparagraph 11, Code 2014.

Effective Date _____

July 1, 2014

14 HF 2464