### PROGRAM INFORMATION

- Iowa Economic Development Authority

### ECONOMIC INDICATORS

**PER CAPITA PERSONAL INCOME**
- 2012: $42,126
- Percent of National Average: 99.0 percent
- Percent Change from 2011: 2.4 percent
- 2002-2012 Compound Annual Growth Rate: 3.9 percent

**CURRENT DOLLAR GDP**
- 2011: $149 billion
- U.S. Rank: 30

**REAL GDP**
- 2011 Growth Rate: 1.9 percent
- 2001-2011 Compound Annual Growth Rate: 2.2 percent

**LARGEST INDUSTRY CONTRIBUTORS TO GDP IN 2011**
- Finance and insurance (12.6 percent); government (11.3 percent)

**LARGEST INDUSTRY CONTRIBUTORS TO GDP GROWTH, 2010-2011**
- Durable goods manufacturing (0.75 percentage points); real estate and rental and leasing (0.53 percentage points)

### KEY TAX RATES

#### STATE INDIVIDUAL INCOME TAXES
- Tax Rate Range (percent)
  - Low: 0.36
  - High: 8.98
- Income Brackets
  - Lowest: $1,494
  - Highest: $67,230
- Number of Tax Brackets: 9

#### CORPORATE INCOME TAX RATES
- Tax Rate: 6.0-12.0 percent
- Lowest Tax Bracket: $25,000
- Highest Tax Bracket: $250,001
- Number of Tax Brackets: 4

#### EXCISE TAX RATES
- General Sales and Gross Receipts Tax: 6.0 percent
- Cigarettes: $1.36 per pack
- Distilled spirits: *see note
- Motor Fuel Tax Rates (cents per gallon)**
  - Gasoline: 22.0
  - Diesel: 23.5
  - Gasohol: 20.0

*In Iowa, the government directly controls the sales of distilled spirits. Revenue is generated from various taxes, fees, price markups and net liquor profits.
**Iowa has an additional environmental fee.
COMMON BUSINESS INCENTIVE PROGRAMS

- **High Quality Jobs Program**—The state’s primary incentive program offers qualifying businesses tax credits, exemptions and/or refunds to offset the cost incurred to locate, expand or modernize an Iowa facility. Those incentives include local property tax exemptions, an investment tax credit, a refund of state sales, service or use taxes paid to contractors or subcontractors during construction, and an increase in the state’s refundable research activities credit.

- **The Iowa Small Business Loan Support Program**—This program helps Iowa entrepreneurs and small businesses in their efforts to access capital for business purposes.

- **The Demonstration Fund**—This fund provides financial and technical assistance to encourage high technology prototype and concept development activities that have a clear potential to lead to commercially viable products or services within a reasonable period of time.

- **The Iowa Capital Access Program**—This program helps Iowa businesses secure the financing needed to launch, retain or expand operations in Iowa. The program encourages banks and other eligible financial institutions to consider small business loans that fall outside of conventional underwriting criteria by providing loan portfolio insurance to reduce lender risk.

- **The Iowa Innovation Acceleration Fund**—This fund provides financing for companies that transfer technology into competitive companies that create high paying jobs. The fund has three programs that focus on pre-seed capital, seed capital and expansion state financing.

- **The Industrial New Jobs Training Program**—Businesses participating in this program may be eligible for reimbursement up to 50 percent of the annual gross payroll costs expended for on-the-job training, as well as a corporate tax credit if Iowa employment is increased by at least 10 percent.

- **Apprenticeship Program**—This program funds projects that increase the skills of workers through a combination of classroom and on-the-job training.

- **Iowa Jobs Training Program**—This program provides job training services to current employees of eligible businesses located in Iowa.

- **Research Activities Credit**—Iowa companies can receive refundable tax credits for research and development investments. The credits may be paid in cash directly to the company once its tax liabilities have been met.

- **The Iowa New Jobs Tax Credit**—This corporate income tax credit is available to companies that have entered into a New Jobs Training Agreement and expanded their Iowa employment base by 10 percent or more.

- **Enterprise Zones**—Through state and local tax incentives, businesses and developers are encouraged to make new investments and create or retain jobs in targeted, economically depressed areas in Iowa. Businesses locating or expanding in an Enterprise Zone may receive property tax exemptions, funding for employee training, sales tax refunds, Iowa income tax credits or other tax incentives.

OVERSIGHT AND ACCOUNTABILITY MEASURES

The state’s primary incentive program—the High Quality Jobs Program—includes several oversight and accountability measures. In order to be eligible for incentives under the program, businesses must meet a number of baseline requirements, including job creation, wage threshold and benefit requirements, as well as a sufficient return on investment for the state, which is based on a calculated fiscal impact ratio. This fiscal impact ratio is calculated by dividing the projected state revenues by the total cost of offering the incentives and provides a single, quantifiable measure of the overall value to the state of a proposed project.

RECENT LEGISLATIVE HIGHLIGHTS

During the 2013 session, Gov. Terry Branstad signed into law House Bill 620, which authorized the Iowa Economic Development Authority to create and collect certain fees from businesses or individuals who receive financial assistance and modify the amount of certain tax credits available in a given fiscal year. The Iowa Economic Development Authority was created in 2011 to replace the Iowa Department of Economic Development as part of a complete overhaul of Iowa’s economic development delivery model.