Business Incentives for Growth (BIG) Program

Maicie Pohlman | Program Manager
Iowa Economic Development Authority

BIG Program Purpose

Helps qualifying businesses offset some of the costs of locating, expanding or modernizing a facility in Iowa. Offered by the Iowa Economic Development Authority (IEDA), BIG supports growth in key industries:

- Advanced manufacturing
- Bioscience
- Insurance and Finance
- Technology

Not eligible for BIG

- Retail businesses
- Service providers
- Data centers
- Businesses not engaged advanced manufacturing, bioscience, insurance/finance, or technology as their primary business
- Routine projects such as deferred maintenance, repairs or basic equipment replacement

Tax Incentives

Only projects that demonstrate extensive economic impact will be awarded the maximum amount of tax incentives

- Maximum 5% of Qualified Investment - County population > 20,000
- Maximum 7.5% of Qualified Investment - County population < 20,000
- Type of Tax Incentives
  - Investment tax credit — performance-based, earned when qualifying assets are placed in service, and spread over five years. If the credit exceeds Iowa income taxes owed, the difference is refunded.
  - Refund of sales tax paid on construction materials.
  - Local property tax exemption, if approved by the city or county

Qualifying Investment

- Capital investment in real property
- Purchase of land and buildings
- Site preparation
- Building construction
- Major renovation
- Long-term lease costs
  - 10-year term

Qualified Jobs

- Created at least 100% of the local laborshed wage
- Retained jobs at least 120% of the local laborshed wage
  - Wage established at the time of the application approval

- Wage requirements can be searched by city or zip code on the IEDA website.

Additional Economic Impact Factors

- Having a high proportion of, or growing, number of in-state suppliers
- Diversifying the state’s economy
- Has few in-state competitors
- Increasing skills and wages for existing workers
- Increasing capacity, productivity, efficiency, and competitiveness through adoption and integration of smart technologies.
- Increasing the state’s GDP

City or County participation

- Municipality (city or county) sponsor by resolution
- Local match not prescribed or required

- BIG statute authorizes local exemption
  - At the discretion of municipality
  - Up to 100% over 10 years

Additional BIG Provisions

- Sufficient benefits package to all full-time employees
- Projects initiation prohibited (includes starting construction, acquiring a building, executing a lease agreement, or installing equipment)
- Relocating or reducing operations in one part of the state, cannot simultaneously seek incentives
- A pattern or record of violations of the law or of rules, including but not limited to antitrust, environmental, trade, or worker safety may be ineligible.
- Additionally confidential payroll and financial documentation will be required with applications and throughout the contract compliance.

Water Conservation and Waste Reduction Plan

Projects that that will result in elevated water consumption by the business, the BIG application shall be accompanied by a water conservation plan

- Elevated water consumption will be assessed using the following factors:
  - The total anticipated water consumption and wastewater discharge
  - The capacity of the water provider facilities that will serve the project
  - Information provided by the water provider about the ability or inability to accommodate the anticipated water consumption
  - Information provided by the Iowa Department of Natural Resources

Application fee for BIG applications

- 0.5% of the total tax incentives awarded, up to $10,000
- Due at application approval
    - Contract will be issued after fee is paid

BIG Contract

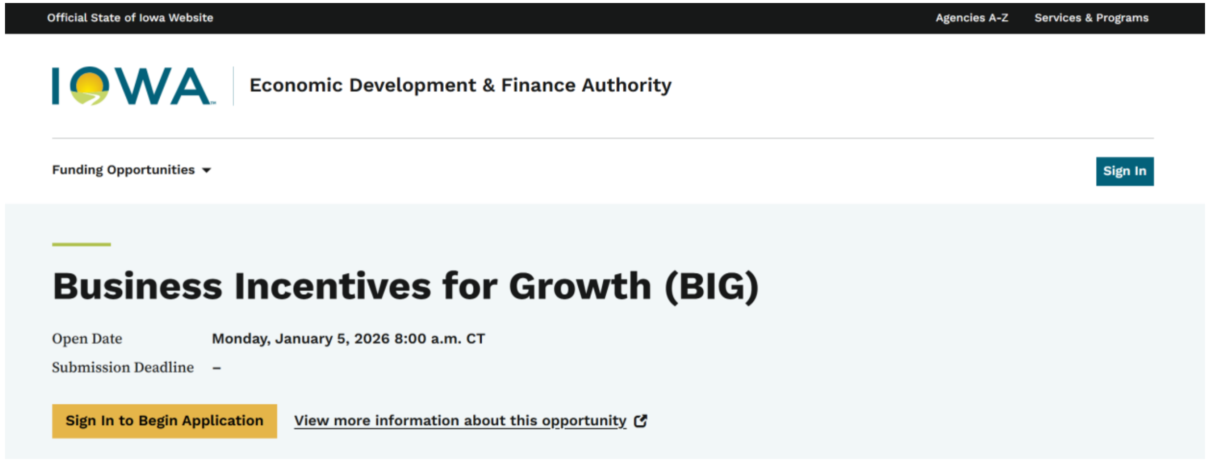
- Terms of the agreement will be based on the incentives awarded.
  - The contract will be in place for as long as the company is claiming credits.
- Flexibility on time to make investment and create jobs.
  - Three-year assumption for investment completion
  - If the company completes the investment prior to that date, they can proceed with documenting the investment and claiming credits.
- Annual Reports will be required for all open contracts
  - Confirm that the business is at or above base employment
  - Employee benefits meet the sufficient benefit requirement
  - Status of project
- The job verification will be done following the contract end date, at close out.
  - The base employment established at the application must be maintained throughout the contract period.

Application Process

- **Submit a pre-application** — a confidential check of eligibility and estimate incentives.
- **Complete the application** (if invited). Substantial completion by the 15th of the month and must be signed by month’s end for review at the next month’s IEDA Board meeting.
- **IEDA Board review.** The board meets monthly on the third Friday. Awards and application details are public, though payroll and financial records remain confidential under Iowa law.
- **Submit through the online portal.** Both pre-applications and applications are managed online.

Opportunity Iowa Portal

1. Company contact – sign in
2. Create Organization profile
3. Navigate to Funding Opportunities
4. Start BIG pre-application
5. If applicable, invite consultant (step 2)



IOWA™

Economic Development

THANK YOU