

BUSINESS INCENTIVES FOR GROWTH PROGRAM



WORKING WITH BUSINESS TO LOCATE, MODERNIZE AND EXPAND

As businesses change and grow, innovative programs are needed to help companies maintain competitiveness amid the growing demand to provide valued-added goods on a global scale.

The Iowa Economic Development Authority (IEDA) offers assistance to promote productivity, efficiency and growth and to create quality job opportunities for Iowans.

The Business Incentives for Growth (BIG) program provides qualifying businesses tax incentives to offset some of the costs incurred to locate, expand or modernize an Iowa facility. To qualify for this flexible assistance package that includes tax credits, exemptions and/or refunds, eligible businesses must focus their project(s) on capital investment, job quality and Industry 4.0 principles – smart technologies.

BUSINESS INCENTIVES FOR GROWTH PROGRAM SNAPSHOT

Refundable tax credit

Cap: \$50M

Applications open January 5, 2026

Project Eligibility

- Limited to Iowa's targeted industries:
 - advanced manufacturing
 - insurance/finance
 - biosciences
 - innovation/technology
- Based on capital investment/quality of jobs
- Demonstrates impact to state GDP and economic diversification
- Increase efficiency, productivity and competitiveness
- Deferred maintenance is not eligible



POTENTIAL TAX INCENTIVES

The following tax incentives may be available:

- 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 (up to 10 years for improvements), if approved by the city or county.

Maximum incentives are up to 5% of qualifying capital investment; projects in rural counties (population less than 20,000) may receive up to 7.5%. All awards are tied to a contract with IEDA that outlines required investments, job creation/retention and other commitments. Only projects that demonstrate extensive economic impact will be awarded the maximum amount of tax incentives.

IOWA ECONOMIC DEVELOPMENT AUTHORITY

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ELIGIBILITY REQUIREMENTS

Businesses may qualify if they are primarily engaged in one of the eligible industries – advanced manufacturing, bioscience, insurance and finance, or technology. They must also plan to demonstrate economic impact in Iowa, such as significantly enhancing facilities, incorporating Industry 4.0 technology (specialized equipment, hardware and/or software) and contributing to Iowa's GDP.

In addition:

- Created jobs must pay at least 100% of the qualifying wage threshold; retained jobs must pay at least 120%. Visit iowaeda.com/wage-requirements/ to view the requirements for wage thresholds.
- A competitive benefits package must be offered to all full-time employees.
- Projects must involve a capital investment such as building construction/remodeling, long-term lease costs (minimum 10 years) or depreciable assets.
- Retail, service providers, warehouse/distribution centers or data centers are not eligible.
- Routine projects such as deferred maintenance, repairs or basic equipment replacement are not eligible.

Businesses must apply and receive approval before starting their project (before construction, purchase or lease of a building, purchase/installation of equipment or other project expenses).



HOW TO APPLY

IEDA staff welcomes the opportunity to work with companies to determine the most beneficial programs and resources to support each project. Please access the project questionnaire at iowaeda.com/BIg-program to begin.

LEARN MORE

Iowa is a right-to-work state with a superior business climate that offers flexible assistance for qualifying business projects. Its low cost of doing business, pro-business government, central North American geographic location and world class workforce and education systems make Iowa a great place to do business.

Please contact IEDA at any time with questions or to discuss business expansion plans at businessfinance@iowaeda.com or by calling 515.348.6200. IEDA staff will guide your business through the qualification process.