



Iowa Research & Development Tax Credit



Jon Cleereman | Program Manager – Victoria Dentler | Project Manager
Iowa Economic Development Authority

Executive Summary

- The Iowa Research and Development Tax Credit (R&D TC) is an annual tax credit based on qualified expenses as allowed under section 26 USC 41 of the Internal Revenue Code (IRC).
 - It is a two-step process.
 - Businesses must first be certified by the Iowa Economic Development Authority (the Authority) as a qualified industry to apply for the credit.
 - After approval of the Tax Credit Certificate, the Authority will allocate available tax credits on a pro rata basis to businesses actively investing in innovation that occurs within the State of Iowa.
 - Tax credits are refundable, but not transferable.



Research Activities Credit (RAC) Transition to Research & Development Tax Credit

- RAC – Sunset December 2025[JC2.1]
 - Filed directly on Tax Return (IA 128)
- Research & Development Tax Credit – Effective January 2026
 - Administered by IEDA
 - Subject to Certification, Approval, and Tax Credit Certificate Issuance by IEDA



At a Glance

- 2 applications
 - Certification Application
 - Research & Development Tax Credit Application
- 1 annual report
- Maximum Allowable Tax Credit
 - 3.5%
- Aggregate Tax Credit Amount Available pursuant to Iowa Code 15.119
 - \$40,000,000



At a Glance – Timeline(s)

Certification as Qualified Business	Date(s)
Certification Application Open	February 2
Certification Application Deadline	September 30* *If a business intends to apply for Research & Development completed during tax year 2026, they must apply to become a Certified Qualified Business by September 30, 2026
Certification Determination Anticipated	Within 90 days of complete submission
Maximum Certification period	5 years
Annual Report deadline	January 31* *Any business certified in 2026 will have an annual report due January 31, 2027
Qualified Business Tax Credit Application	Date(s)
Tax Credit Application Open	September 1
Tax Credit Application Deadline	January 31
Tax Credit Allocation Determination Anticipated	April 1



At a Glance – Certification as a Qualified Business

- Only available to businesses in certain industries and sectors performing qualified Research & Development

Eligible Industries	
Advanced Manufacturing	Insurance and Finance
Bioscience	Technology & Innovation
Eligible Sectors of Eligible Industries	
Aerospace	Hybrid seed technologies
Chip technologies & microelectronics	Medical equipment & supplies
Consumer products	Pharmaceuticals
Crop protection	Second-generation food innovation
Diagnostic analytics & immunotherapies	Software & technology
Food ingredients & supplements	



Applying for Certification

- Certification Applications are accepted through the Opportunity Iowa Portal
- Any entity wishing to utilize a third-party to assist in completing the certification or tax credit application will need to start the application themselves and invite the consultant to the started application



Applying for Certification - Continued

- Certification is submitted on behalf of entire filing group
 - For combined filer, the common parent (the Iowa income tax filing entity) should be listed as the applicant
 - Subsidiaries, affiliates, and disregarded entities conducting qualified research will be listed within the single certification application
- Certification applications are to be reviewed within 90 days of complete submission
- The Authority is requesting robust answers to the application questions to reduce unnecessary follow up



Applying for Certification - Continued

○ Required information submitted in the certification application:

- General business and contact information
- Subsidiary, affiliate, and disregarded entity information including a description for each entity of their operations and types of qualified research and development undertaken by the entity
- Pages 1-5/6 of most recent filed federal tax return (1120, 1120s, or 1065) including:
 - Form 6765, Form 851, Form 3800
- Pages 1-9 of most recent filed state of Iowa Tax Return (IA 1120, 1120s, or 1065) including:
 - Iowa Corporation Schedule H and Corresponding Form 148
- Articles of Incorporation and Bylaws
- Certificate of Existence from Iowa Secretary of State

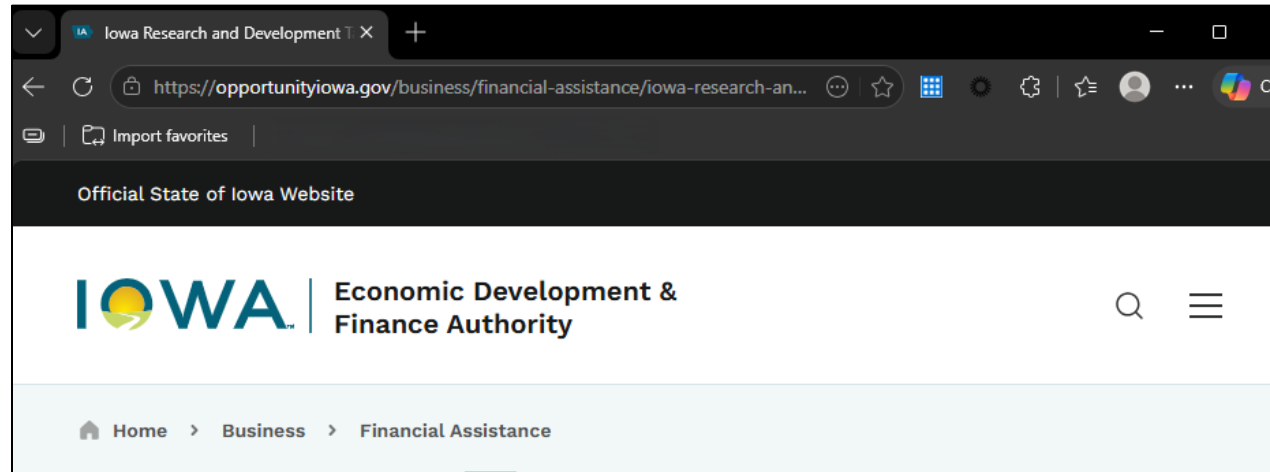


Applying for Certification - Continued

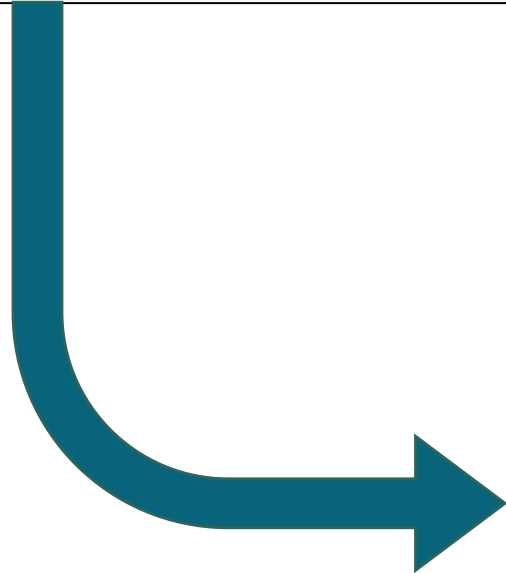
- The Authority reserves the right to request additional information or conduct site visits prior to certification determination
- Applicants will execute an agreement with the Authority to receive an official Certification Letter
- Iowa Research & Development Tax Credit contract is non-negotiable



Navigation – Creating an Account



- Scroll down towards the bottom of the page



Application Process

1. Submit an application for certification to determine eligibility as a qualified business.
2. Submit an application for tax credit – applications are due January 31 annually.
3. IEDA Director approval - IEDA will allocate available tax credits on a pro rata basis to businesses actively investing in innovation that occurs within the State of Iowa.
4. Submit through the online portal. Both applications for certification and tax credit are managed online.

[Apply Now](#)

[Returning User Login](#)

Give Feedback



Navigation – Creating an Account Continued



[Sign In](#)

Iowa Research and Development Tax Credit Program

Open Date Monday, February 2, 2026 8:00 a.m. CT

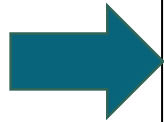
Submission Deadline –

[Sign In to Begin Application](#)

[View more information about this opportunity](#) 



Navigation – Creating an Account Continued



IOWA | Economic Development & Finance Authority

Funding Opportunities ▾

Sign in with ID.me

You will be redirected to the **ID.me** website to sign in to your account. After signing in, you will be redirected back to the Opportunity Iowa Portal.

Sign in with ID.me

ID.me + **IOWA** Economic Development | Finance Authority

Sign in to ID.me

Email

Enter email address

☐ Remember me

Continue

New to ID.me? [Create a wallet](#)

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- Click through to sign in with ID.me
 - Sign in with an existing account linked to the applicant or create a new account

Navigation – Creating an Account Continued

Official State of Iowa Website



Economic Development
& Finance Authority

Terms & Conditions



☒ I agree to these terms and conditions.

Accept & Continue

Navigation – Creating an Account Continued

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Iowa Research and Development Program

Open Date Monday, February 2, 2026 8:00 a.m. CT

Submission Deadline –

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My Account ▾

Sign out

My Account

Profile

Organization

Messages

My Funding Opportunities 

My Applications & Awards

Navigation – Creating an Account Continued

Profile

Select Details

Details

Details

ⓘ Your account details are incomplete.

Please complete your account profile. You will be unable to submit applications if your account details are incomplete.

Organization

Organization Details

Organization Name *

Location

Enter the primary address of the organization.

Street Address 1 *

Contact Info

Enter the contact information for the primary address.

Phone

* Required

Save Changes



Submit



Navigation – Creating an Account Continued

Organization

[Details](#)[Payment Accounts](#)[Members](#)[Documents](#)

Members

[Invite User](#)

Name	Email	Type	Status	Actions
There are no records to display.				

- For members of the organization
 - Can edit organization information
 - Signing authority
- Not for consultants or third-parties
- Will received an email link to create a profile and access organization information and application in the portal



Navigation – Starting the Application



Economic Development & Finance Authority

Funding Opportunities ▲

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Explore Opportunityiowa.gov

Search for Funding Opportunities

Search for Opportunities

Search by Name

Programs

Select... ▼

Categories

Select... ▼

Status

Open ▼

Search

Program	Opportunities	Start Date	End Date
Business Incentives for Growth (BIG)	Business Incentives for Growth (BIG)	1/5/2026	–
Iowa Film Rebate Program	Film Studio Certification	2/2/2026	–
Iowa Film Rebate Program	Iowa Film Rebate Application	2/2/2026	–
Research and Development (R&D)	Iowa Research and Development Tax Credit Program	2/2/2026	–
Seed Investor Tax Credit Program	Seed Qualifying Business Certification	–	–

Navigation – Starting the Application Continued

Iowa Research and Development Tax Credit Program

Open Date Monday, February 2, 2026 8:00 a.m. CT

Submission Deadline –

[Begin Application](#) [View more information about this opportunity](#) 

Iowa Research and Development Tax Credit Program

SECTION NAVIGATION: The boxes listed on the side of the application contain the list of sections that are required to fill out when completing the application. Once all required questions in a section have been completed, a section icon will appear with a green “check.” Note that a green “check” does not verify that the questions have been answered fully or correctly, only that a response has been entered, and it does not reflect whether optional questions have been completed. After completing each section, please click “Next” to save changes and proceed to the next section. To return to a previous section, click “Previous” after saving changes made within a section. Applicants are responsible for verifying that all information is complete and correct.

SAVING: To ensure all information inputted is saved, click “Next.”

APPLICATION INSTRUCTIONS: Submit one certification application for the entire filing group. Do not submit separate application for each subsidiary or affiliate. For consolidated/combined filers, the common parent (the Iowa income tax filing entity) should be listed as the applicant.

APPLICATION SUBMISSION: Before the system will allow an application to be submitted, every section must show a green “check.” Note that the system does not validate answers; it only verifies that each question contains a response. Once submitted, the application may be viewed, but no further edits will be allowed. Once all sections have been complete, please click “Submit” to submit the application.

Certification Request

Certification Request





Navigation – Application

Certification Request	Certification Request
Assign Consultants	Provide detailed information about your business entity, including financial statistics, and operational details.
Subsidiary, Affiliate, and Disregarded Entity Information	
Due Diligence Applicant Information	Business Entity FEIN: *
Required Attachments, Confirmations, and Certifications	Enter the 9-digit FEIN as numeric digits (e.g., 123456789).
IEDA Certification	
	Business Entity Tax Type: *
	Select

Use the menu on the left to track progress through the application

To navigate between pages, use the buttons at the bottom of the screen

Previous

Next

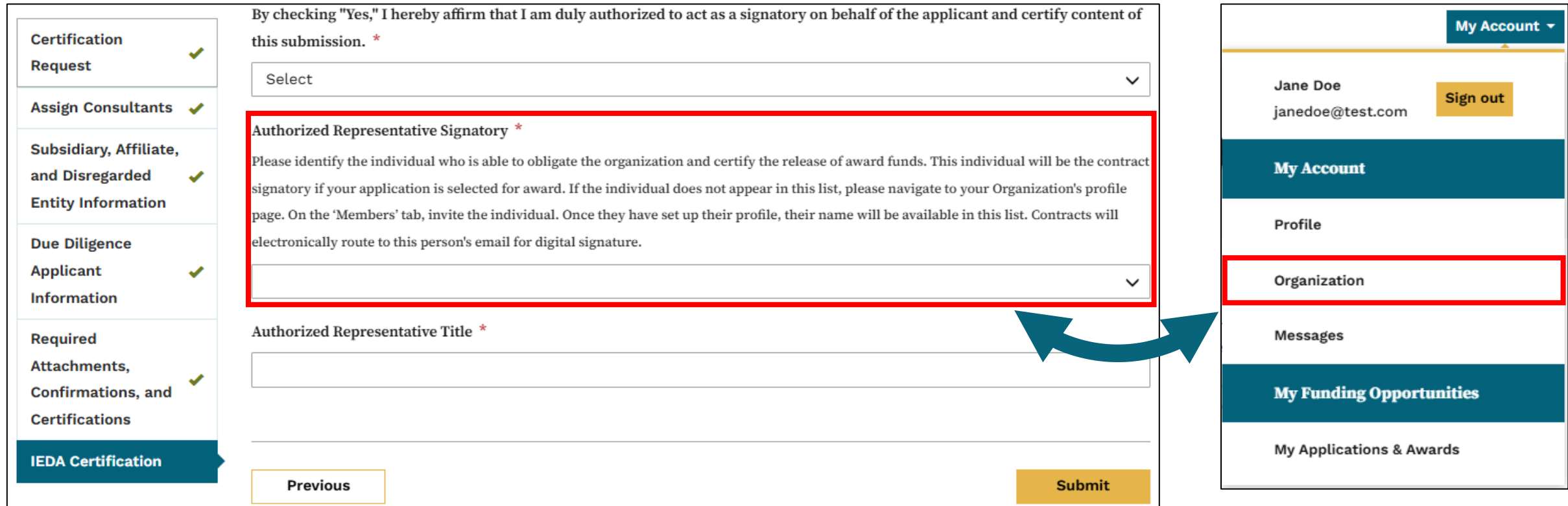
Navigation – Application (Adding Consultants)

- Consultants are individuals or entities outside the applicant organization who may provide required information
 - i.e. Tax Professional
- Different from a member of the organization, can edit application but cannot change organization information

Invite Consultants				
				+ Create
Consultant Name	First Name	Last Name	Email Address	Actions



Navigation – Application (IEDA Certification)



The screenshot displays the IEDA Certification application interface. On the left is a vertical sidebar with navigation links: Certification Request, Assign Consultants, Subsidiary, Affiliate, and Disregarded Entity Information, Due Diligence Applicant Information, Required Attachments, Confirmations, and Certifications, and IEDA Certification (highlighted with a blue bar and arrow). The main content area contains a confirmation statement, a dropdown menu, and a section titled 'Authorized Representative Signatory' which is highlighted with a red border. This section includes instructions and a dropdown for selecting a signatory. Below this is a field for the 'Authorized Representative Title'. At the bottom are 'Previous' and 'Submit' buttons. On the right is a user account sidebar showing the user's name, email, and a 'Sign out' button, followed by a 'My Account' section with links to Profile, Organization (highlighted with a red box), Messages, My Funding Opportunities, and My Applications & Awards. A blue arrow points from the 'Organization' link to the signatory dropdown.

By checking "Yes," I hereby affirm that I am duly authorized to act as a signatory on behalf of the applicant and certify content of this submission. *

Select

Authorized Representative Signatory *

Please identify the individual who is able to obligate the organization and certify the release of award funds. This individual will be the contract signatory if your application is selected for award. If the individual does not appear in this list, please navigate to your Organization's profile page. On the 'Members' tab, invite the individual. Once they have set up their profile, their name will be available in this list. Contracts will electronically route to this person's email for digital signature.

Authorized Representative Title *

Previous Submit

My Account

Jane Doe
janedoe@test.com Sign out

My Account

Profile

Organization

Messages

My Funding Opportunities

My Applications & Awards

- If the required authorized signer does not appear in the drop down, they will need to be added as “member” with the organization prior to submission



References

Iowa Administrative Code

- 261-2, Chapter 82

Iowa Code

- Chapter 15: Subchapter II, Part 35

Opportunity Iowa Portal

- <https://opportunityiowa.gov/business/financial-assistance/iowa-research-and-development-tax-credit-program>



Questions?

IEDA

- (515)348-6200
- IowaRD@iowaeda.com

Jon Cleereman

Program Manager

- (515)348-6157
- Jon.cleereman@iowaeda.com

Victoria Dentler

Project Manager

- (515)348-6158
- Victoria.dentler@iowaeda.com





THANK YOU

Jon Cleereman | Program Manager – Victoria Dentler | Project Manager
Iowa Economic Development Authority

