



STATE OF IOWA INCENTIVE AND FUNDING PROGRAMS

The Iowa Economic Development Authority (IEDA) offers financial assistance as well as forgivable and low-interest loans to eligible businesses and projects. The IEDA is tasked by the Governor and legislature to stimulate high quality job creation. Many of the state's programs are targeted to specific sectors, such as the value-added agriculture, biosciences, information solutions/financial services and advanced manufacturing sectors. They do not fund retail proposals.

It is best to approach the IEDA, the Chamber to improve your chances of success. Visit iowaeconomicdevelopment.com for detailed information regarding these programs. Please note that many of the programs require a wage of 130% over the county wage.

DEMONSTRATION FUND

The Demonstration Fund provides pre-seed capital to encourage prototype and commercialization activities by small- and medium-sized Iowa companies with high growth potential in the advanced manufacturing, biosciences and information technology industries. This fund encourages innovation, thereby fostering competitive, profitable companies that create high paying jobs and wealth in Iowa. Eligible businesses must be Iowa-based and developing a unique and competitive product, technology or process that can be protected in the marketplace. Expected timeline is 120 days for completion.

TARGETED SMALL BUSINESS ASSISTANCE (TSB)

This program supports the creation and expansion of small businesses that are certified as a "targeted small business." Once they are certified, the company can apply for and receive TSB funds and enjoy other program benefits. To be certificated, businesses are required to operate for profit; have an annual gross income of less than \$4 million; be at least 51% owned, operated, or actively managed by a female; and have a minority group member or a person with a disability. Certified TSB's can apply for loans to start or expand a small business.

HIGH QUALITY JOBS PROGRAM (HQJP)

The HQJP provides tax credits to qualifying businesses in order to offset costs incurred to locate, expand or modernize an Iowa facility. To qualify for this very flexible assistance program that includes tax credits, exemptions and/or refunds, you must be a non-retail or non-service business and meet wage threshold requirements.

R&D TAX CREDITS

The state of Iowa allows a state tax credit for R&D activities. Companies in various industries, including manufacturing and technology, can benefit from the credit if they develop new or improved products, manufacturing processes, software applications for sale to customers, or if they develop innovative software for internal use. Contact an accounting firm with R&D tax credit expertise to determine if your activities qualify for the credit. Expected timeline is 90-120 days for application completion. For more information, visit iowaeconomicdevelopment.com/business/downloads/researchdevelopment.pdf.

ENTREPRENEURIAL VENTURE COMPONENT

Financial and/or technical assistance is available to support and encourage the growth of early-stage businesses developing a new product or new technology. An eligible business is a business that has been competing in a particular industry for three years or less. Priority will be given to businesses competing in those sectors of the Iowa economy with the greatest potential for growth and expansion. Sectors having such potential include but are not limited to biotechnology, recyclable materials, software development computer related products, advanced materials and advanced manufacturing. For more information, visit iowaeconomicdevelopment.com

INTERNATIONAL FINANCIAL ASSISTANCE

• **Export Trade Assistance Program (ETAP)**

The IEDA offers financial assistance to Iowa companies who wish to take advantage of international trade shows and trade missions to enter new markets. This program reimburses up to 75% of a company's eligible direct expenses and up to \$3,000 per pre-approved event (up to two times per fiscal year). Expected timeline is 90-120 days for completion of application.

• **Domestic Trade Assistance Program (DTAP)**

DTAP provides up to \$3,000 assistance per occurrence to participate in an eligible domestic trade show. Eligible shows must include an international buyers program of the U.S. Department of Commerce or the Food Export Association of the Midwest. Eligible companies can receive funding up to two times in the funding period.

• **Product Trade Assistance Program (PTAP)**

PTAP provides up to \$5,000 per occurrence to assist a company in adjusting product or product certification to expand export opportunities. Eligible companies may receive one grant in the funding period.



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ECONOMIC DEVELOPMENT SET ASIDE PROGRAM

This program provides assistance to businesses that plan to make a capital investment and create and/or retain quality employment opportunities for individuals of low- or moderate-income status. Assistance may be provided to encourage business start-ups, the expansion or retention of existing businesses or the recruitment of out-of-state businesses into Iowa. EDSA funds business projects located in Iowa cities with a population of less than 50,000. Applications are filed by cities or counties on behalf of eligible businesses.

IOWA AREA DEVELOPMENT GROUP REVOLVING LOAN FUNDS (IADG)

Members of the IADG operate 31 individual revolving loan funds across Iowa providing a combined \$15.8 million in alternative financing. These flexible financing tools offer low cost financing to assist with expansion programs. You must be part of the Rural Electric Cooperative to qualify for these funds. Contact IADG for fund availability, application and collateral requirements. For more information, visit iadg.com.

IOWA SMALL BUSINESS LOAN SUPPORT PROGRAM-

Through the sale of tax-exempt bonds, the Iowa Finance Authority provides financing to new and expanding businesses. The maximum loan is \$10 million. Rates vary depending on the market. Expected timeline is 90-120 days for completion of application. For more information, contact 1.800.432.7230 or visit ifahome.com.