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## **House of Representatives**

State of Iowa  
*Eighty-Third General Assembly*  
STATEHOUSE  
**Des Moines, Iowa 50319**

**COMMITTEES**  
Appropriations  
Economic Growth  
Education  
Labor

**APPROPRIATIONS SUBCOMMITTEE**  
Economic Development,  
*Ranking Member*

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The state of Iowa deserves a vision. The Legislature should help facilitate that vision. I believe part of that vision should be Iowa becoming a global leader of research and development in the areas of science, medicine, and biotechnology. Iowa businesses are making groundbreaking strides and we should all be proud they have chosen to make Iowa their home. Now, we need to make sure they choose not to leave.

Governor Culver's budget recommendations for fiscal year 2010 call for the elimination of the supplemental research activities tax credit. Businesses in Iowa that utilize this tax credit include Kemin Industries, Monsanto, and Pioneer just to name a few. Representatives from these businesses recently testified before the House Economic Growth Committee and stated that this tax credit was critical in order for their companies to remain and thrive in Iowa. This industry attracts some of the finest intellectual minds in the world to Iowa. Iowa needs these employers to remain here in order to move forward as a leader in the global economy.

In these economic times, it is imperative that the state of Iowa do everything in its power to encourage investment and job creation. This tax credit does just that. There is no question that further cuts are going to be made to the budget. I would submit this is an area that should not be cut. Studies indicate the economic benefits of these tax credits are much greater than the small cost associated with their funding. The positive economic impact and high quality jobs produced by these credits cannot be denied. Accordingly, Missouri has significantly increased its level of economic development in recent years. Nebraska is considering doubling its offerings from 15% - 30%. Why would we want to eliminate an incentive that our neighbors are trying to emulate?

Unless Iowa wants to possibly lose global business leaders to our neighbors, the Legislature needs to do something. That is why I have authored House File 560 to not only maintain the current level of state funding for these tax credits, but also slightly increase them. These businesses do not want to leave Iowa. They want to stay here, allow their employees to raise families, and build their companies up even further. The Legislature should and can help them do just that.

Peter Cownie (R-West Des Moines), represents District 60 in the Iowa House of Representatives. The district includes most of West Des Moines in Polk County. He can be reached via e-mail at [Peter.Cownie@legis.state.ia.us](mailto:Peter.Cownie@legis.state.ia.us) or by phone at 281-3221.