



New Legislature, New Tax Increases Ahead - A City Income Tax

The 2009 Legislative Session of the Iowa General Assembly is quickly approaching and the true agenda items, the things voters didn't hear about during the 2008 campaigns, are beginning to surface. Among the tax increases floated is something new – a city income tax.

For the past two years, the Iowa Legislature talked a lot about property tax reform yet took little action. However, the Legislative Property Tax Study Committee is expected to recommend a new tax on Iowans.

The new tax is a **city income tax**. That's right, a brand new local tax that is levied against your **income**!

The measure being proposed could allow a city to charge a tax on all residents' income. This city income tax would be **ON TOP** of the state income tax, **ON TOP** of federal income tax and **IN ADDITION** to the city property tax.

While the fine details of this new tax scheme have not been released, one thing is clear, city officials across the state think that property taxes aren't high enough to satisfy their spending so now they want to INCREASE YOUR income tax bill.

Proponents of this subterfuge are billing this tax increase as a way to reduce cities reliance on property taxes. And sure, that sounds nice, but what it is **NOT** doing is reducing property taxes.

Everyone can agree that property taxes are too high – in fact, in fiscal year 2007, over 3.6 billion dollars were levied in Iowa property taxes. The solution to high property taxes is NOT increasing income taxes, and most certainly not creating a **brand new income tax**.

Iowans for Tax Relief supports and will continue to support real efforts to lower the property tax burden for Iowans. Iowans for Tax Relief opposes attempts to shift the tax burden from one tax to another or creating new taxes.

With Iowans paying over 3.6 billion dollars in property taxes and more than 6 billion dollars in sales, income and other taxes, the problem is not too little revenue. The problem is all levels of government continue to grow their budgets, and have realized enacting a new tax is a way around property tax levy limits.

The current economic situation is tenuous and it is certainly not the time for government to take **more** out of every Iowan's paycheck.

Property tax reform can't be about more of your hard-earned money going to government. Property tax reform needs to be about creating an environment for Iowa businesses and families to grow and invest in Iowa.

Iowans for Tax Relief will continue to fight for reduced government spending and lower taxes for all Iowans. Your ITR lobbying team will be at the Capitol to let Legislators and the Governor know that creating a new tax is not the Iowa way.

The Watchdog is a weekly update of issues which are being considered by the Iowa Legislature.
It is a service to members of Iowans for Tax Relief. Permission is granted to forward this to any interested individuals.

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