



IOWA TAXPAYER TRANSPARENCY ACT OF 2009 MOVES FORWARD!

On Monday, February 16, the subcommittee of Rep. Marcella Frevert (D-Emmetsburg), Rep. Charles Isenhardt (D-Dubuque), and Rep. Dawn Pettengill (R-Mt. Auburn) will meet to consider HF 74. Iowans for Tax Relief is pleased to see this important legislation advance. We encourage you to contact your legislator to urge them to move this bill forward.

You can call your Senator or Representative at the Capitol. Iowa Senate: 515-281-3371. Iowa House: 515-281-3221. If you don't know who is your Representative or Senator, go to our Website at <http://www.taxrelief.org/legislators> and use the "Legislator Lookup" feature, or use the ITR 2009-2010 Legislative Directory. You can find your Senator or Representative's e-mail address using the "Legislator Lookup" feature on our Website.

Iowa Department of Revenue Annual Report Released; How Much Iowans Pay is Revealed

For every State Fiscal Year, the Iowa Department of Revenue produces an annual report on the collection and sources of revenue of taxes administered by the department. For Fiscal Year 2008, the grand total taxes paid to the Iowa Department of Revenue was \$7,131,758,869.

Income Tax.

In Fiscal Year 2008, the State of Iowa collected a net total of \$3,343,921,481 in income taxes alone! Individual taxpayers comprise 87% of the source of income tax revenue collected by the State of Iowa.

Sales and Use Taxes.

The Iowa Sales Tax (*including Local Option Taxes and Hotel/Motel Taxes*), Iowa Use Tax, and Iowa Motor Vehicle Use Tax total collections were a combined \$2,844,493,894 in Fiscal Year 2008.

Other State Taxes.

Iowans also fund state government activities through a variety of other taxes including:

- Consumption Taxes (*Motor Vehicle Fuel Tax, Cigarette Tax, and Tobacco Tax*) \$693,481,620.
- Inheritance Tax \$77,581,903.
- Miscellaneous Taxes (*Environmental Protection Charge, Motor Vehicle Use 25% EPC Deposit, Real Estate Transfer Tax, Hazardous Materials Permit Fees, Insurance Premium Tax, Reimbursements, Motor Vehicle Title Surcharge, and other Miscellaneous*) \$172,279,971.

While over seven billion dollars of taxes are collected by the State of Iowa, it does not include the \$3,793,147,933 levied in local property taxes.

Property Taxes.

Although the Department of Revenue does not collect any property taxes, the department reports how much is levied by each taxing authority. In 2008, \$3,793,147,933 was levied in local property taxes. This is the total of the following taxing authorities:

- K-12 Schools
- Counties
- Cities
- Merged Area Schools
- Hospitals
- Assessors
- Townships
- Ag Extension
- Other Miscellaneous Authorities

The full *Annual Report* is available on the Internet through the following link:

<http://www.iowa.gov/tax/educate/0878508.pdf>. The *Summary of the Annual Report* is available online at:
<http://www.iowa.gov/tax/educate/0878508add.pdf>.

Iowa government does not have a revenue problem, it has a spending problem and the 2009 Legislative Session is certainly not the time to increase taxes on Iowans.

Iowans for Tax Relief will continue to fight for reduced state government spending and lower taxes for all Iowans.

State Budget Update

Even though the Legislature has completed the fifth week of the 2009 Session, no legislative action has been taken on Governor Culver's property tax increase proposals from the Governor's State Fiscal Year 2010 Budget Recommendations.

Property Tax Increase #1. Governor Culver has recommended cutting the Homestead Property Tax Credit from \$99.3 million to \$49.4 million. The Homestead Property Tax Credit was created in 1937 to provide property tax relief and to encourage homeownership. To qualify for the Homestead Property Tax Credit, Iowans must own and occupy a property as a homestead, declare residency in Iowa for income tax purposes, and occupy the property for at least six months each calendar year.

Property Tax Increase #2. The Governor also recommended capping the state-funded portion of school aid, which has the potential to shift as much as \$40 million to private, commercial, and agricultural property taxpayers.

Iowans for Tax Relief OPPOSES increasing property taxes as a way for the Governor and the Legislature to balance the state budget.

Gas Tax Increase Bills Filed

This week in the Legislature, three bills were filed to increase the gas tax. House Study Bill 164 and Senate Study Bill 1182 would increase the excise tax on gasoline and ethanol blended gasoline, and special fuel for diesel engines by 8-cents per gallon in a two-step measure. The excise tax on E-85 gasoline is not increased under the bill. Senate File 128 would increase the gas tax by 9-cents per gallon, which would be effective July 1, 2009.

Iowans for Tax Relief has typically remained neutral on the gas tax issue, but given the uncertain times, this year is not the time to increase taxes on Iowans. Iowans for Tax Relief has registered OPPOSED to all three of the gas tax increase bills.

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.

Comments or questions concerning The Watchdog should be directed to:

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