



Transparency Act Moves to House Floor for Full Debate

On Wednesday, March 11th, the House State Government Committee unanimously approved House File 74, the Iowa Transparency Act. This is a tremendous victory for Iowans for Tax Relief and is due in large part to your action.

Thank you for telephoning and emailing members of the House State Government Committee. Your voice of support for a more open and transparent state government helped House File 74 clear the first Legislative hurdle.

Although House File 74 was changed during the committee process, the core of the bill, the creation of a searchable budget database website and a searchable tax rate database remained unchanged.

The Iowa Transparency Act has been a significant priority of Iowans for Tax Relief this Legislative Session. In January, Iowans for Tax Relief proudly stood with Iowa lawmakers introducing the Iowa Taxpayer Transparency Act of 2009.

The legislation will create a publicly available database website for taxpayers to access, at no charge, annual revenues and expenditures of state government agencies. Further, the bill creates a searchable tax rate database.

The searchable tax rate database will include tax rates of all taxing jurisdictions across Iowa, and will contain a geographical tax rate map, as well as an individual tax rate calculator. This feature will provide Iowans with a much needed tool in seeing specifically how they are taxed by state government and local governments.

The budget for the State of Iowa for Fiscal Year 2009 is over six billion dollars, and more than nine billion dollars is collected by Iowa state and local governments annually. The current lack of transparency limits Iowans from participating in government and from raising questions or protesting unfair or ill-advised decisions. Government needs to be accountable to the citizens and the Iowa Taxpayer Transparency Act of 2009 gives Iowans the chance to be auditors and carefully examine state government.

Although the Transparency Act has made it through the Committee process, there are still several more actions which need to happen before an Iowa budget and tax database will be created. The bill needs to clear the full House, as well as the Senate State Government Committee no later than April 10th, to be eligible for further consideration.

Again, thank you for telephoning and emailing members of the House State Government Committee. Your voice of support helped this piece of significant legislation through the process, but we still need your help. Please contact your Representative, to urge them to move this bill to the Senate.

How to Contact Your Representative:

Telephone: You can call your Representative at the Capitol. The telephone number for the Iowa House switchboard is 515-281-3221.

Email: You can also email your Representative. To find your Representative's email address, visit the "Legislator Lookup" feature on the ITR website at: <http://www.taxrelief.org/legislators>.

Iowans for Tax Relief will continue to update you on the status of the Taxpayer Transparency Act as it moves further through the Legislative Process. Please continue to look for Watchdog Alerts for action.

Mark your calendars, Iowans for Tax Relief President, Ed Failor, Jr. will be on Jan Mickelson's radio show, "Mickelson in the Morning" at 10:07 am, Tuesday, March 17, 2009. "Mickelson in the Morning" is on WHO Newsradio 1040 AM.



Walking with the Watchdog – Special

This feature provided to members of Iowans for Tax Relief was not sent out this week due to the Special Watchdog Email Alerts, we did not want to clutter your email inbox. We are pleased to bring this feature to you today.

This week we presented Auditor David Vaudt the 2009 Watchdog Award and press continues to focus on the topic of protecting federal deductibility.

Visit our website at www.taxrelief.org for updates on current information in the Iowa Legislature.

If we have missed a story in the press, please email kkoberg@taxrelief.org.

This week Ed Failor, Jr. also did radio interviews with;
- Maxine Sielmen on Praise 940 AM in Des Moines
- John Patrick on KDLS 1310 AM Radio in Perry

Iowans for Tax Relief: Announces Auditor David Vaudt as the 2009 Watchdog Award Winner-- Tuesday, March 10, 2009.

<http://www.taxrelief.org/articles/10>

"It is an honor to present the 2009 Watchdog Award to Auditor Vaudt. He provides the much needed clarity and transparency to the budget process for all Iowans. Taxpayers are served well by Auditor Vaudt because he understands government should live within a budget, just like Iowa families do," said Ed Failor, Jr., President of Iowans for Tax Relief.

Failor continued, "Auditor Vaudt is dedicated to make sure government is held accountable at all levels. He travels around the state to educate Iowans and provide them with the tools to ask the right questions of their elected officials. The people of Iowa are fortunate to have State Auditor David Vaudt as our top taxpayer watchdog."

Vaudt Gets 2009 Watchdog Award: The Price of Politics Blog – Dave Price, WHO-TV.

<http://whoiapolitics.blogspot.com/2009/03/vaudt-gets-2009-watchdog-award.html>

First, the news. Iowans for Tax Relief presented its 2009 Watchdog Award to State Auditor Dave Vaudt. Vaudt has been a consistent critic of the way the governor and the legislature spend your money or OVERSPENDS as he would contend. He has criticized both Chet Culver and Tom Vilsack's administrations, as well as legislatures controlled by Democrats and Republicans. Here's part of the group's release:

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Radio Iowa: Streamlining government the goal of bill & "lean enterprise office". By O.Kay Henderson – March 10, 2009.

<http://www.radioiowa.com/gestalt/go.cfm?objectid=F10E1C97-5056-B82A-3743189C8994BDA0>

As the Iowa House was voting on the "lean enterprise" bill this morning, the group Iowans for Tax Relief presented State Auditor Dave Vaudt with its "2009 Watchdog" award for his work on budget and spending matters.

Yepsen: Labor vows to 'primary' wayward Dems: Des Moines Register—Tuesday, March 10, 2009.

<http://www.desmoinesregister.com/article/20090310/OPINION01/903100365/-1/NEWS04/Yepsen++Labor+vows+to++primary++wayward+Dems>

This isn't new. A few years ago, the conservative Iowans for Tax Relief primaried a couple of GOP legislators who weren't falling in line. The two lost, and the remaining members of the GOP caucus got the message.

With erasers in hand, state officials study tax incentives: Des Moines Register—Monday, March 9, 2009.

<http://www.desmoinesregister.com/article/20090309/NEWS10/903090325/With+erasers+in+hand++state+officials+study+tax+incentives>

Democratic leaders and Culver have also said Iowa should review the possibility of reducing a benefit to taxpayers known as federal deductibility. The deduction allows Iowans to write off the federal taxes they pay when calculating their Iowa income taxes.

Iowa, Alabama and Louisiana are the only states that allow residents to deduct 100 percent of what they pay in federal income taxes from their state income taxes.

A 1994 report, the most recent, from the Legislative Services Bureau showed that the exemption costs the state at least \$350 million a year.

Projections from Iowans for Tax Relief, a fiscally conservative group that opposes changing the law, says it saves taxpayers as much as \$600 million a year.

Over the years, Republicans have generally opposed eliminating federal deductibility. As others have in the past, Senate Minority Leader Paul McKinley of Chariton and House Minority Leader Kraig Paulsen of Hiawatha have argued that Iowans should not have to pay a tax on a tax.

Senate Majority Leader Michael Gronstal, D-Council Bluffs, said the intent behind federal deductibility changes would be to lower the rate Iowans pay in state income taxes. That, in turn, would simplify the tax structure and give a tax cut to middle-class families.

Overall, the plan would be revenue neutral, he said.

Opposition makes it less likely that federal deductibility changes will take place this year. Capping tax credits is more likely, and Democrats are examining their options, Gronstal said.

Iowans for Tax Relief, The Watchdog: IowaPolitics.com—Friday, March 6, 2009.

<http://www.iowapolitics.com/index.html?Article=151373>

Ending Federal Deductibility is a Tax Increase: TheIowaRepublican.com- Wednesday, March 4, 2009.

<http://theiowarepublican.com/home/2009/03/04/ending-federal-deductibility-is-a-tax-increase/>

By Ed Failor, Jr.

Iowa is one of three states which allow individual taxpayers to fully deduct all of the tax payments made to the federal government on state income tax returns. This deduction is called federal deductibility.

The name of this important deduction suggests this is a federal issue. However, it is not. The control of your ability to deduct your federal tax payments lies solely with your State Legislators. Federal deductibility is an Iowa state income tax deduction of federal taxes paid to the IRS.

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Iowans for Tax Relief.

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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