



# The Watchdog



A Legislative Update from Iowans for Tax Relief

Friday, April 6, 2007

13th Week of Session

## **Second Funnel Means Little Action on Ways and Means Legislation. Fiscal Note Shows Government Union Membership Smaller Than Thought.**

### **TAX AMNESTY BILL MOVES OUT OF HOUSE WAYS AND MEANS COMMITTEE:**

This week the House Ways and Means Committee approved House Study Bill 298, a bill to create a tax "amnesty" period late summer and early fall of 2007. (See full description in last week's version of *The Watchdog* at our website: [www.taxrelief.org](http://www.taxrelief.org)).

While called a tax amnesty program, the bill does not forgive any tax liability owed to the state. Instead, the legislation encourages those with delinquent tax liabilities to come forward and pay those taxes during the amnesty period in return for a 50% reduction in the interest owed on the delinquent account and a waiver from any additional civil or criminal penalty related to the liability.

The bill passed the Ways and Means Committee on a 13-11 vote as detractors worried it was rewarding tax cheats. Expect floor amendments to the bill that would increase the penalties on those delinquent taxpayers who fail to use the amnesty period to pay the full amount of their liability.

The bill has been renumbered as House File 893 and is currently on the House Calendar.

According to the Iowa Department of Revenue, the bill is expected to generate the payment of over \$50 million in delinquent tax liabilities to the state during the "amnesty" period.

Iowans for Tax Relief is monitoring this legislation and will keep you informed as to its progress.

### **SECOND FUNNEL MEANS LITTLE TAX LEGISLATION MOVES FORWARD:**

This Friday, April 6, marks the second key funnel date in the Legislative calendar for 2007. As a result, those bills exempt from the funnel (including all Ways and Means bills) are normally put aside for the week as other bills move forward.

In order for most legislation to stay alive for the remainder of the Session it must, by the end of business this Friday, have passed in one chamber (House or Senate) and been approved by a committee in the other chamber. Most bills that fail to meet these two criteria are dead for the remainder of the year.

This second funnel date further narrows the list of eligible bills and begins the three or four week process to end the Session by the end of April or early May.

According to the legislative calendar for 2007, legislative expenses will continue to be paid through April 27. After this date, Legislators are no longer paid a per diem and are responsible for their own expenses (hotel, meals, etc.). While not a hard trigger, this normally ensures the eventual shut down of the Legislature within a week to 10 days.



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## FISCAL NOTE ON RIGHT TO WORK REPEAL SHOWS UNION MEMBERSHIP IN IOWA GOVERNMENT LOWER THAN EXPECTED:

While the debate over attempts to repeal all or part of Iowa's Right to Work law has cooled in recent weeks, a Fiscal Note from the Fiscal Services Division of the Legislative Services Agency shows actual union membership among Iowa's government employees to be lower than most originally assumed.

Senate File 413 would require all government employees who are represented by a certified bargaining unit to pay dues to that union regardless of their membership status with that union. If you are not a member, you would still be required to pay dues. Even if you choose not to use the services provided by that union, you would still be required to pay dues.

SF 413 was passed by the Iowa Senate but is currently short of the votes necessary to pass the Iowa House.

A Fiscal Note developed to determine the impact of SF 413 shows a number of examples of union membership within different sectors of Iowa government.

According to the Fiscal Note, there are approximately 1,200 recognized public employee bargaining units in the State. There are approximately 25,000 State employees on the State payroll system and 44,000 employees within the Regents system.

The average annual dues for State employees (not including the Department of Transportation) who belong to the American Federation of State County and Municipal Employees (AFSCME) are \$419.

The Department of Administrative Services provided the example below of bargaining units and the percentage of employees that pay dues to AFSCME. The example excludes Regents, Judicial Branch, and Community Based Corrections:

<u>Employment Category</u>	<u>Percentage who Pay dues</u>
Clerical	26.5%
Technical	50.9%
Blue Collar	50.4%
Fiscal and Staff	21.6%
Field Staff	37.4%
Security	71.0%
Patient Care	46.4%
Total:	45.1%

The Regents bargaining units are listed below:

<u>Institution</u>	<u>% who pay dues</u>
University of Iowa	19.8%
Iowa State University	12.8%
Univ. of Northern Iowa	43.0%
Total:	19.9%

It is no wonder the government employee union's desire legislation to force non members to pay dues. The financial gain to AFSCME and others would be huge.

**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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