



House Ways and Means Committee Votes to Make Local Option Sales Tax a Permanent State Tax and Rejects Constitutional Protection

HF 2066 TAKES AWAY YOUR RIGHT TO VOTE, RAISES TAXES ON IOWA'S BIGGEST EMPLOYERS, AND GIVES STATE POLITICIANS THE POWER TO STEAL THESE FUNDS FROM LOCAL SCHOOLS:

This week the House Ways and Means Committee voted in favor of House File 2066, a bill that would replace the current local option tax for school infrastructure (SILO) with an additional penny of statewide sales and use tax (each additional penny of sales and use tax raises about \$400 million).

Voters in all 99 Iowa counties have adopted the SILO and are collecting the tax. HF 2066 would eliminate local voters from the approval process and make the tax a permanent statewide penny. In addition, HF 2066 increases the state consumer use tax by a penny (the use tax is exempt from the current SILO) and that will result in a huge tax increase by raising the use tax on Iowa businesses who buy taxable products from out of state vendors--some of Iowa's most important employers.

The Committee adopted a number of amendments (see descriptions below). **However, the Committee rejected a critical amendment that would have required the funds collected by this statewide sales tax to be constitutionally protected** from future state raids (raids that have decimated the lottery fund, tobacco fund, and senior living trust fund). This would protect these dollars in the same way the Constitution currently protects a significant portion of the road fund. Iowans for Tax Relief STRONGLY supported this amendment.

Even with the amendments adopted by the Committee, Iowans for Tax Relief STRONGLY opposes HF 2066 and the move to strip Iowans of their right to vote on this important local option tax for schools.

Here is a breakdown of Thursday's vote in the House Ways and Means Committee:

IN FAVOR (18)

Shomshor (D-Council Bluffs)
Schueller (D-Maquoketa)
Davitt (D-Indianola)
Deyoe (R-Nevada)
Forristall (R-Macedonia)
Frevort (D-Emmetsburg)
Grassley (R-New Hartford)
Huser (D-Altoona)
Jochum (D-Dubuque)
Kaufmann (R-Wilton)
Kelley (D-Waterloo)
Palmer (D-Oskaloosa)
Quirk (D-New Hampton)
Reasoner (D-Creston)
Thomas (D-Elkader)
Wendt (D-Wendt)
Wiencek (R-Waterloo)
Wise (D-Keokuk)

OPPOSED (6)

Sands (R-Columbus Junction)
Pettengill (R-Mount Auburn)
Soderberg (R-LeMars)
Struyk (R-Council Bluffs)
Van Fossen (R-Davenport)
Windschitl (R-Missouri Valley)

ABSENT (1)

Olson, Tyler (D-Cedar Rapids)

Two members of the Committee who voted to move the bill forward, Reps. Kaufmann and Quirk, have pledged to work with ITR when the bill reaches the floor to help secure the critical constitutional protection.

