IOWA TAX REFORM

A BETTER PATH FORWARD 2.0

ACHIEVING PRO-GROWTH TAX REFORM THROUGH SALES TAX BASE BROADENING

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TEF IOWA

SMALLER GOVERNMENT SMARTER SOLUTIONS

in partnership with

ECONOMIC RESEARCH CENTER
at THE BUCKEYE INSTITUTE

INTRODUCTION

In 2018, Governor Kim Reynolds and the Iowa legislature passed a comprehensive tax reform measure that lowers both the individual and corporate income tax rates as well as broadens the sales tax base.

MIDWEST STATE COMPARISON

TOP STATE INDIVIDUAL INCOME TAX RATE	
South Dakota	No Income Tax
North Dakota	2.90%
Indiana	3.23%
Michigan	4.25%
Illinois	4.95%
Ohio	4.997%
Kansas	5.50%
Missouri	5.90%
Iowa *(2023 RATE)*	***6.50%***
Nebraska	6.84%
Wisconsin	7.65%
Iowa (current)	**8.53%**
Minnesota	9.85%

TOP STATE CORPORATE INCOME TAX RATE	
South Dakota	No Income Tax
Ohio	0.26% Gross Receipts Tax
North Dakota	4.31%
Michigan	6.00%
Indiana	6.25%
Missouri	6.25%
Kansas	7.0%
Nebraska	7.81%
Wisconsin	7.90%
Illinois	9.50%
Minnesota	9.80%
Iowa	***9.80%***

Although the 2018 reform was historic, Iowa will still have high income tax rates. Iowa's top individual income tax rate will be 6.5 percent and the top corporate rate will be 9.8 percent. Governor Reynolds and Republican legislative leaders have stated that tax reform is not finished.

The 2018 tax reform started Iowa on a path to lower income tax rates, but more work remains. To help model pro-growth tax reform, Tax Education Foundation of Iowa (TEF) partnered with Ohio's Buckeye Institute's Economic Research Center (ERC). In *A Better Path Forward for Iowa Tax Reform*, the ERC modeled four potential tax policy scenarios that would lower income tax rates and create economic growth. TEF also explored reforming Iowa's sales tax. *Sales Tax: Broadening Sales Tax Base Can Reduce Overall Tax Burden* examined Iowa's sales tax and the potential benefit of broadening the sales tax base to lower income tax rates.

During the 2020 legislative session, Governor Reynolds proposed the *Invest in Iowa Act*, which called for a 10 percent income tax reduction in 2021 and further reductions which would lower the top rate to 5.5 percent by 2023. The Invest in Iowa Act was not just an income tax reduction measure, but a comprehensive proposal which called for a one-cent sales tax increase to help pay for income and property tax relief.

However, the economic recession triggered by COVID-19 tabled the Invest in Iowa Act along with any other potential tax reform proposals. As Iowa's economy begins to recover from the pandemic, Governor Reynolds has hinted that tax reform is still a possibility for the 2021 legislative session. Republican legislative leaders are also signaling that further tax rate reductions are still a policy priority. Republican Senate Majority Leader Jack Whitver stated that Republicans in the Senate have the goal of "aggressive" tax reductions. Iowa Senate President Jake Chapman, stated that "now more than ever is when we need to be implementing tax cuts."

Tax rates matter for both individuals and businesses. For every dollar taken in taxes from an individual or business, it is one less dollar they can save, spend, invest, or donate. Tax rates also impact the economic climate of a state. Iowa is in competition with 49 other states for both jobs and people. A major challenge confronting Iowa is attracting new residents and filling the need for a more skilled workforce. In addition, the best economic development strategy is to have a competitive economy based upon low tax rates.

Lowering Iowa's income tax rates will not only help all Iowans, but also be an incentive for businesses and economic growth. "Reducing the individual income tax is really important because it not only affects every single person in the state of Iowa, it also affects most of the businesses in the state of Iowa because most of the businesses don't pay a corporate tax," stated Senator Whitver. Further, "they pay the individual income tax and so when you're talking about pro-growth, pro-job policies, individual income tax is at the top of the list."

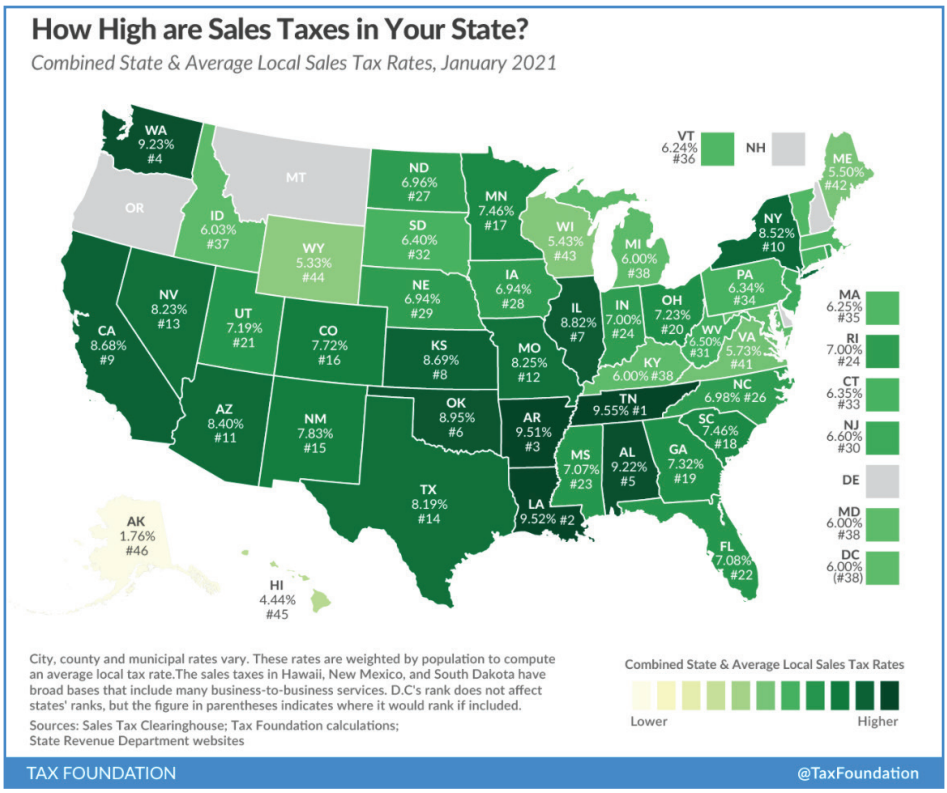
Individual and corporate income taxes are considered the most harmful of taxes as they punish growth, productivity, and investment. States which do not have an income tax, such as Iowa's neighbor South Dakota, are garnering much attention for their competitive economic climates. This is causing other states to examine ways to eliminate their own individual and corporate income taxes.

"This is the time to really focus on how we can begin to implement tax cuts that will lead to the total elimination of income tax. My hope is that we do focus on how we can reduce taxes and eventually eliminate the income tax," stated Senator Chapman. Eliminating Iowa's individual and corporate income taxes is a noble policy goal, but it will not be easy. Iowa relies heavily on income tax for revenue. The income tax generates an estimated 52 percent of state revenue.

Iowa can approach eliminating the income tax through several various methods. Some of these include phasing-out income tax rates, utilizing revenue triggers, and broadening the sales tax base. TEF Iowa is building upon our sales tax research and is once again partnering with the ERC to consider the potential of broadening the sales tax base with the goal of eliminating the individual and corporate income tax. ERC's modeling is a compliment to *Sales Tax: Broadening Sales Tax Base Can Reduce Overall Tax Burden*.

The sales tax is considered less harmful than income taxes and is less volatile during economic downturns. Thanks to encompassing the online sales tax through base broadening, Iowa's sales tax is helping to keep revenues stable during the COVID-19 economic uncertainty.

Currently, Iowa has an average sales tax rate of 6 percent. With state and local sales tax rates combined, the rate is 6.94 percent.



Source: Tax Foundation

However, numerous sales tax exemptions still exist in Iowa. These tax exemptions result in higher rates. Tax policy should work toward the goal of lower rates and a broader base. Eliminating exemptions and broadening the sales tax base could generate enough revenue to eliminate the individual and corporate income tax rates.

The ERC has modeled three sales tax base broadening scenarios. While most exemptions are eliminated in these scenarios, certain exemptions remain such as business inputs (business to business transactions), agricultural, and food exemptions.

The ERC models provide a potential road map to eliminating the income tax based upon broadening the sales tax base. Pro-growth tax reform must be done with prudence and take into consideration the state budget as well as the priorities of government. Nevertheless, it is imperative for Iowa to lower both individual and corporate income tax rates. Iowa can become an economic leader in the Midwest by pursuing further pro-growth tax reform. Whether this is eliminating the income tax or following the examples of states such as Indiana, North Carolina, and Utah who have lowered their income tax rates, we must find ways to be more economically competitive.

The ERC has completed new economic modeling of Iowa tax reform. They used the same methodology as our 2019 report, *A Better Way Forward for Iowa Tax Reform*, but updated the analysis with recent data that accounts for the pandemic recession and three new tax reform scenarios. The COVID-19 pandemic disrupted economic activity across the country. Updated estimates from the Congressional Budget Office's 10-Year Economic Projections were used to adjust the forecasted baseline in each scenario to reflect the post-pandemic economic outlook for Iowa. For the dynamic results, the ERC adjusted for inflation to hold everything constant to 2012 dollars.

The first two scenarios in this study reduce personal and/or corporate income taxes and offset lost revenue by broadening the sales tax base and increasing the sales tax rate. The third scenario addresses eliminating Iowa's school income surtax. School districts, upon voter approval, can levy a surtax to provide additional revenue. The surtax is not to exceed 20 percent of state income tax liability. As demonstrated by Table 9, a majority of school districts levy a surtax on income.

Currently, Iowa exempts many goods and services from the sales tax, which reduces the size of the sales tax base. We have identified a list of sales tax-exempted goods and services and their lost revenue value from a 2015 Iowa Department of Revenue report that would generate $1.005 billion in static revenue in 2014. This is equivalent to $1.071 billion in 2018. Under a more aggressive scenario, Iowa could raise $2.907 billion (based on 2014 dollars) in static revenue, which adjusted for 2018 would amount to $3.096 billion. We exclude the majority of exemptions for business inputs, agriculture, and food, and then list the exemptions in Table 8.

SCENARIO 1: Eliminating the Personal Income Tax through Sales Tax Change

The Iowa Department of Revenue reported $3,876.3 million in personal tax revenue in 2018. As shown in Table 1, Scenario 1 models an elimination of the personal income tax where the decline in static revenue is offset by a combination of eliminating sales tax exemptions and increasing the sales tax rate. Under a more conservative elimination of some exemptions, the sales tax rate would need to be raised from 6 percent to 11.7 percent to offset the decline in tax revenue. Under the more aggressive approach, the sales tax rate would need to be raised to 7.6 percent as the larger sales tax base would generate more revenue. If Iowa were to adopt the more aggressive approach to sales tax exemptions, it could make up roughly 75 percent of the revenue loss through sale tax exemption elimination alone.

Table 2 presents the dynamic effects of Scenario 1 and reveals that these policy changes will lead to $1.11 billion in state gross domestic product (GDP) growth in the first year. With increased economic activity, the state will gain back about $610 million in revenue in the first year, even though the static net revenue estimate of the combined proposals would be $0. The sales tax increase is a direct tax on the willingness of Iowans to consume and reduces consumption by $20 million in the first year. Because Scenario 1 increases and decreases taxes that directly affect families, there is no substantial change in work activity.

Table 1: Static Revenue Change[1]

	Static Revenue Change (in millions)
Proportional Reduction in Personal Income Tax	-$3,876
Decrease in Corporate Tax	$0
Offset of Sales Tax (Either Base Broadening or Rate Increase)	$3,876
Total Change	**$0**

Table 2: Eliminate Personal Income Tax with Sales Tax Offset[2]

	Baseline				
Year	GDP	Employment	Tax Revenue	Consumption	Investment
2021	$168,320	1,600	$8,720	$98,520	$33,100
2022	$173,900	1,600	$8,930	$101,160	$36,060
2023	$178,130	1,600	$9,130	$103,610	$38,530
2024	$181,310	1,700	$9,320	$106,150	$39,550
2025	$184,740	1,700	$9,530	$108,640	$40,700
2026	$188,330	1,700	$9,750	$111,120	$41,940
2027	$192,040	1,700	$9,980	$113,780	$43,100
2028	$195,780	1,700	$10,220	$116,520	$44,340
2029	$199,290	1,700	$10,450	$119,190	$45,340
	Difference from Baseline				
Year	GDP	Employment	Tax Revenue	Consumption	Investment
2021	$1,110	0	$610	($20)	$920
2022	$1,200	0	$620	($10)	$900
2023	$1,260	0	$640	($10)	$900
2024	$1,300	0	$650	($10)	$900
2025	$1,330	0	$670	($10)	$910
2026	$1,350	0	$680	$0	$930
2027	$1,380	0	$700	$0	$950
2028	$1,410	0	$710	$0	$970
2029	$1,430	0	$730	$10	$990

Scenario 2: Eliminating Personal and Corporate Income Tax Offset by Sales Tax Changes

As opposed to the first scenario, which only eliminated the personal income tax, Scenario 2 models the effects of a pro-growth tax reform by eliminating the personal and corporate income tax, which is offset by a static increase in the sales tax. The static model results presented in Table 3 show that eliminating the personal and corporate income tax would reduce revenue by $4.4 billion. That lost revenue can be offset by raising the rate on Iowa's less distortionary sales tax and by taxing goods and services that are currently exempt from that tax. In either the aggressive or conservative approach to sales tax exemptions the tax on consumption is the same, thus the following results are equivalent between both options.

This aggressive pro-growth strategy, which eliminates the personal and corporate income tax, would require Iowa to rely more on the sales tax to raise revenue. The conservative approach to exemption elimination would require an increase in the sales tax rate from 6 percent to 12.8 percent. Adopting the more aggressive approach would require raising the sales tax rate to 8.7 percent. Table 4 presents the dynamic results of The Buckeye Institute's dynamic scoring model. Under this scenario, the first year of reform would raise $620 million in revenue. As compared to just eliminating the personal income tax, eliminating the corporate tax would lead to substantially more GDP and investment in the first year. In the first year, this tax proposal would generate $1.34 billion dollars more in investment and $1.67 billion more in GDP.

Table 3: Static Revenue Change[3]

	Static Revenue Change (in millions)
Proportional Reduction in Personal Income Tax	-$3,876
Decrease in Corporate Tax	-$526
Offset of Sales Tax (Either Base Broadening or Rate Increase)	$4,402
Total Change	**$0**

Table 4: Eliminate Personal Income and Corporate Income Tax with Sales Tax Offset[4]

	Baseline				
Year	GDP	Employment	Tax Revenue	Consumption	Investment
2021	$168,320	1,600	$8,720	$98,520	$33,100
2022	$173,900	1,600	$8,930	$101,160	$36,060
2023	$178,130	1,600	$9,130	$103,610	$38,530
2024	$181,310	1,700	$9,320	$106,150	$39,550
2025	$184,740	1,700	$9,530	$108,640	$40,700
2026	$188,330	1,700	$9,750	$111,120	$41,940
2027	$192,040	1,700	$9,980	$113,780	$43,100
2028	$195,780	1,700	$10,220	$116,520	$44,340
2029	$199,290	1,700	$10,450	$119,190	$45,340
	Difference from Baseline				
Year	GDP	Employment	Tax Revenue	Consumption	Investment
2021	$1,670	0	$620	$30	$1,340
2022	$1,810	0	$640	$30	$1,310
2023	$1,890	0	$650	$40	$1,320
2024	$1,940	0	$670	$40	$1,310
2025	$1,990	0	$680	$50	$1,320
2026	$2,030	0	$700	$50	$1,350
2027	$2,070	0	$720	$60	$1,380
2028	$2,110	0	$730	$70	$1,420
2029	$2,140	0	$750	$70	$1,450

Scenario 3: Eliminating the School Surtax

According to the Iowa Department of Revenue, 279 of Iowa's 330 school districts imposed a personal income surtax on residents to pay for local schools, raising $116.2 million (2018 dollars) in state-collected revenue in 2018. Since the rate varies significantly across districts, in Scenario 3 we model the economic effects of eliminating the school surtax as a proportional decrease in the state personal income tax rate for all Iowans, as shown in Table 5. Eliminating the school surtax would reduce revenue by $116.2 million statically as shown in Table 6. The dynamic results of the Economic Research Center's dynamic scoring model are shown in Table 7. We find that eliminating the school surtax would increase economic output in the first year by $100 million while also increasing consumption and investment by $40 million to $50 million. Eliminating the school surtax would also lead to a decline in revenue by $100 million in the first year according to Economic Research Center's dynamic scoring model. Driven by increased economic output, Iowa would lose less tax revenue under the dynamic model than the static model predicts.

Table 5: Effect of School Surtax Elimination on State Personal Income Tax Rates[5]

Iowa Taxable Income	Current Rates	New Rates
$0 - $1,676	0.33% of excess over $0	$0
$1,677 - $3,352	$5.53 + 0.67% of excess over $1,676	0.18% of excess over $1,676
$3,353 - $6,704	$16.76 + 2.25% of excess over $3,352	$3.01 + 1.76% of excess over $3,352
$6,705 - $15,084	$92.18 + 4.14% of excess over $6,704	$62.00 + 3.65% of excess over $6,704
$15,085 - $25,140	$439.11 + 5.63% of excess over $15,084	$367.85 + 5.14% of excess over $15,084
$25,141 - $33,520	$1,005.26 + 5.96% of excess over $25,140	$884.71 + 5.47% of excess over $25,140
$33,521- $50,280	$1,504.71 + 6.25% of excess over $33,520	$1,343.08 + 5.76% of excess over $33,520
$50,281 - $75,420	$2,552.21 + 7.44% of excess over $50,280	$2,308.42 + 6.95% of excess over $50,280
$75,421 +	$4,422.63+ 8.53% of excess over $75,420	$4,055.59 + 8.04% of excess over $75,420

Table 6: Static Revenue Change[6]

	Static Revenue Change (in millions)
Proportional Reduction in Personal Income Tax	-$116
Decrease in Corporate Tax	$0
Offset of Government Spending	$0
Total Change	**-$116**

Table 7: Eliminating School Surtax[7]

	Baseline				
Year	GDP	Employment	Tax Revenue	Consumption	Investment
2021	$168,320	1,600	$8,720	$98,520	$33,100
2022	$173,900	1,600	$8,930	$101,160	$36,060
2023	$178,130	1,600	$9,130	$103,610	$38,530
2024	$181,310	1,700	$9,320	$106,150	$39,550
2025	$184,740	1,700	$9,530	$108,640	$40,700
2026	$188,330	1,700	$9,750	$111,120	$41,940
2027	$192,040	1,700	$9,980	$113,780	$43,100
2028	$195,780	1,700	$10,220	$116,520	$44,340
2029	$199,290	1,700	$10,450	$119,190	$45,340
	Difference from Baseline				
Year	GDP	Employment	Tax Revenue	Consumption	Investment
2021	$100	0	($100)	$40	$50
2022	$100	0	($100)	$40	$50
2023	$110	0	($100)	$40	$50
2024	$110	0	($100)	$40	$50
2025	$110	0	($110)	$40	$50
2026	$110	0	($110)	$40	$50
2027	$120	0	($110)	$40	$50
2028	$120	0	($110)	$50	$50
2029	$120	0	($120)	$50	$50

Table 8: Revenue Lost to Sales Tax Expenditures or Exemptions[8]

Tax Expenditure	Description	Lost Revenue
Medical Services	Medical services are not listed as an enumerated taxable service; these services are thus nontaxable. Medical services purchased under government health i.e., Medicare or Medicaid services care are not subject to sales and use tax and are considered in a separate estimate.	$570,500,000
Interstate Sales	Property or services performed on property which the retailer sends or delivers to a point outside of Iowa are exempt from sales and use tax as long as the property is not returned to Iowa, except in the course of interstate commerce or transportation. If physical possession of the property occurs in the state of Iowa by the purchaser, consumer, or their agent, the exemption no longer applies.	$431,400,000
Gambling Boat Games and Admissions	Sales by licensees authorized to operate excursion gambling boats for (1) charges for admission to excursion gambling boats and (2) gross receipts from gambling games authorized by the Iowa Racing and Gaming Commission and conducted on excursion gambling boats are exempt from sales and use tax.	$402,000,000
Fuel Subject to the Fuel Excise Tax	Fuel used for any purpose for the privilege of operating motor vehicles in the state is exempt from the sales and use tax when it is subject to the excise tax which is applied before the sale is made to the consumer. Note: This estimate assumes the sales and use tax would apply to the final price of gasoline and diesel, including state and federal excise taxes.	$338,800,000
Transportation Services and Delivery Charges	Transportation services, including the transportation of people, and delivery charges are exempt from sales and use tax when they are separately contracted in writing. If no written contract exists, the charges are not subject to sales and use tax if the bill itemizes the charges. The exemption does not apply to the services of transporting electrical energy or natural gas or to the rental of recreational vehicles or boats. Chartered air services are not included in the estimate.	$320,700,000
Residential Utility Exemption	The sale or furnishing of metered gas, electricity, and fuel, including propane and heating oil, to residential customers which is used to provide energy for residential dwellings and units of apartment and condominium complexes used for human occupancy is exempt from sales and use tax.	$127,100,000

Tax Expenditure	Description	Lost Revenue
Prescription Drugs and Medical Devices	Prescription drugs and the sale or rental of durable medical equipment, mobility enhancing equipment, prosthetic devices, and other medical devices intended for human use or consumption are exempt from sales and use tax. Drug means a compound, substance, or preparation, and any component of a compound, substance, or preparation other than food and food ingredients, dietary supplements, or alcoholic beverages. Other medical device means durable medical equipment, mobility enhancing equipment, or prosthetic devices.	$126,800,000
Information Services	The sale or rental of information services is exempt from sales and use tax. An information service is every business activity, process, or function by which a seller or its agent accumulates, prepares, organizes or conveys data, facts, knowledge, procedures and like services to a buyer or its agent of such information through any tangible or intangible medium. Database files, mailing lists, subscription files, market research, credit reports, surveys, real estate listings, bond rating services, wire services, and scouting reports are some examples of information services.	$74,900,000
Construction Materials under Contracts with Tax Exempt Entities	Designated tax-exempt entities awarding construction contracts on or after January 1, 2003 may issue special exemption certificates exempting contractors and subcontractors from paying sales and use tax for materials used in the construction project. This exemption is taken at the point of sale where the materials are purchased. If the project is a rural water district, a claim for a refund must be presented to the Department of Revenue and are estimated separately.	$66,200,000
Dental Services	Services performed by dentists are not listed as enumerated taxable services; these services are thus not taxable.	$59,800,000
On-Line Computer Service--Consumer	The furnishing of any contracted on–line service is exempt from sales and use tax if the information is made available through a computer server. The exemption applies to all contracted on–line services, as long as they provide access to information through a computer server.	$49,100,000
Laboratory Tests on Humans	The service of laboratory testing on humans is exempt from sales and use tax.	$47,400,000

Tax Expenditure	Description	Lost Revenue
Prepaid Merchandise Cards	Prepaid merchandise cards other than prepaid telephone calling cards are not sales of tangible personal property and thus are exempt from the sales and use tax. When a purchaser uses a prepaid merchandise card to purchase taxable tangible personal property or taxable services, sales tax is computed on the sales price at the time of the sale and deducted from the prepaid amount remaining on the merchandise card.	$30,600,000
Casual Sale of Goods and Services	Sales of otherwise taxable tangible personal property or services that are on a casual basis are generally exempt from sales and use tax. In order to be casual (1) the sale of tangible goods or taxable services must be of a nonrecurring nature, and (2) the seller must not be engaged in the for-profit business of selling tangible goods or services at the time of the sale or the sale is outside the seller's regular course of business. If the sales are recurring, the sales may qualify as a casual sale if all of the following criteria apply: (1) the owner of the business is the only person performing the services, (2) the owner of the business is a full-time student, and (3) total gross receipts from the activities do not exceed $5,000 for the calendar year. Casual sales of vehicles subject to registration, vehicles subject only to the issuance of a certificate of title, and aircraft are not exempt. Sales of capital assets, such as equipment, machinery and furnishings which are not sold out of inventory are casual sales as long as they do not occur more than twice in 12 months.	$27,100,000
Wind and Hydroelectric Energy Conversion	Wind and hydroelectricity energy conversion property and materials used to manufacture, install, or construct wind and hydroelectricity conversion property used as an electric power source are exempt from the sales and use tax. This includes but is not limited to wind chargers, windmills, turbines, tower and electrical equipment, pad mount transformers, power lines, substations, generators, powerhouses, intakes, coffer dams, walls, water conduit, tailrace, any other concrete components, poles, wires, transformers, breakers, and switches used to convert wind energy or water, water power, or hydroelectricity to a form of usable energy.	$24,400,000
Lottery Tickets	Lottery tickets or shares of a lottery game are exempt from sales and use tax.	$19,900,000

Tax Expenditure	Description	Lost Revenue
Legal Services	Legal services are not listed as an enumerated taxable service; these services are thus nontaxable.	$19,400,000
Dormitories and Memorial Union Room Rental	The renting of sleeping rooms in dormitories and in memorial unions at all universities and colleges located in the state of Iowa is exempt from the hotel and motel excise tax. In addition, these rentals are implicitly exempt from the sales and use tax.	$15,600,000
Veterinary Products and Services-Small Animal	Veterinary services are not an enumerated taxable service and thus are not subject to sales and use tax. The exemption does not apply to food, drugs, medicines, bandages, dressings, serums, and tonics used in the treatment of pets or animals for hobby purposes or any sales of tangible property or enumerated service that are not part of professional veterinary services, such as pet grooming.	$15,300,000
High Quality Job Program Sales Tax Refund	Businesses can claim a refund under the High Quality Job Program for the sales and use taxes paid for gas, electricity, goods, or services for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility of the approved business. The Iowa Economic Development Authority must approve the business' proposed project prior to project initiation and the business must receive an award for sales and use tax refunds.	$15,300,000
Veterinary Products and Services - Small Animal	Veterinary services are not an enumerated taxable service and thus are not subject to sales and use tax. The exemption does not apply to food, drugs, medicines, bandages, dressings, serums, and tonics used in the treatment of pets or animals for hobby purposes or any sales of tangible property or enumerated service that are not part of professional veterinary services, such as pet grooming.	$15,300,000
Accounting and Bookkeeping Services-Consumer	Accounting and bookkeeping services are not listed as an enumerated taxable service; these services are thus nontaxable.	$14,100,000
Residential Sewer and Refuse Services	Residential sewer and refuse services are not listed as an enumerated taxable service; these services are thus nontaxable services. Solid waste collection and disposal services for nonresidential commercial operations are taxable.	$9,700,000

Tax Expenditure	Description	Lost Revenue
Casual Sale under a Business Liquidation	When a business sells all or substantially all of the tangible personal property held or used in the course of the trade or business for which businesses are required to hold a sales tax permit, the sale is considered a casual sale and is exempt from sales and use tax if: (1) the trade or business is transferred to another person and (2) the transferee engages in a similar trade or business. The trade or business transferred refers to the place where the business is located since each retail business collecting tax must have a separate permit for each location.	$9,400,000
Hotel and Motel Excise Tax	The renting of any lodging is exempt from the sales and use tax. The sales price for the renting of lodging for 31 or fewer consecutive days is subject to an excise tax of five percent. This excise tax is deposited into the General Fund. Therefore, the tax expenditure reflects the one percent differential between the excise tax rate and the sales and use tax rate on lodging of 31 or fewer consecutive days.	$8,000,000
Massage Therapy	Massage therapy services provided by massage therapists licensed under Iowa Code 152C is exempt from sales and use tax.	$7,900,000
Funeral Homes and Funeral Services	Certain goods sold and services performed by funeral homes are exempt from the sales and use tax.	$7,500,000
Newspapers	Newspapers, free newspapers and shoppers' guides are exempt from sales and use tax. A newspaper is a periodical, published at short, stated and regular intervals, usually daily or weekly, that is printed with news ink on newsprint sheets folded loosely together without stapling.	$6,900,000
Sales by State, County and District Fairs	Sales of tangible property or services rendered, furnished or performed by the state fair organized under Iowa Code chapter 173 or a county, district or fair society organized under Iowa Code chapter 174 are exempt from sales and use tax. This exemption does not apply to individuals, entities, or others that sell or provide services at the state, county, district fair or fair societies.	$6,300,000
Travel Agencies - Business	Travel agency services are not listed as an enumerated taxable service; these services are thus nontaxable.	$4,200,000
Biodiesel Production Sales Tax Refund	A biodiesel producer engaged in the manufacturing of biodiesel for use in biodiesel blended fuel who has registered with the United States Environmental Protection Agency (EPA) is eligible for a sales and use tax refund calculated by multiplying a designated rate by the total number of gallons of biodiesel produced by the	$3,700,000

Tax Expenditure	Description	Lost Revenue
	biodiesel producer in this state during each quarter of a calendar year. The designated rate in 2015 was two cents. The refund is limited to the first 25 million gallons of biodiesel produced at each facility. The program is scheduled to expire on January 1, 2025.	
Clothing Sales Tax Holiday	Items of clothing or footwear designed to be worn on or about the human body are exempt from sales and use tax if the sale price of an item is less than one hundred dollars and the sale of the item takes place during the period beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the following Saturday. Sales of accessories such as jewelry, handbags, and similar items and of special clothing or footwear primarily designed for athletic activity or protective use and not normally worn except when used for the athletic activity or protective use for which it is designed are excluded from the exemption. Rentals of clothing and footwear are also excluded from the exemption.	$3,600,000
Tax Return Preparation Services-Consumer	Tax return preparation services are not listed as an enumerated taxable service; these services are thus nontaxable.	$2,900,000
Long-Term Room Rental	The renting of all rooms by the same person for a period of more than 31 consecutive days is exempt from the sales and use tax and the hotel and motel excise tax. Rooms include but are not limited to sleeping rooms, banquet rooms, or conference rooms in any hotel, motel, inn, public lodging house, rooming or tourist court, or in any place where sleeping accommodations are furnished to transient guests, whether with or without meals.	$2,900,000
Tax Return Preparation Services - Consumer	Tax return preparation services are not listed as an enumerated taxable service; these services are thus nontaxable.	$2,900,000
Travel Agencies - Leisure	Travel agency services are not listed as an enumerated taxable service; these services are thus nontaxable.	$2,700,000
Architectural and Engineering Services-Consumer	Architectural and engineering services are not listed as enumerated as taxable services; these services are thus nontaxable.	$2,600,000
Solar Energy Equipment	Solar energy equipment is exempt from Iowa sales and use tax. Solar energy equipment means equipment that is primarily used to collect and convert incident solar radiation into thermal, mechanical, or electrical energy or equipment that is primarily used to transform such converted solar energy to a storage point or to a point of use.	$2,600,000

Tax Expenditure	Description	Lost Revenue
Marina Services	Marina services are not listed as an enumerated taxable service; these services are thus nontaxable.	$2,000,000
Construction Equipment Excise Tax	Some types of construction equipment is exempt from the sales and use tax. The sales price for these purchases is subject to an excise tax of five percent. Therefore, the tax expenditure reflects the one percent differential between the excise tax rate and the sales and use tax rate.	$1,900,000
Long-Term Aircraft Rental	Aircraft rentals for more than 60 days are exempt from the sales and use tax.	$1,200,000
ATM Surcharges	Fees charged by financial institutions to a non-customer that are imposed for point of sale, service charge, or access to an automated teller machine (ATM) are exempt from sales and use tax. Financial institutions are defined as any bank, savings and loan association or credit union incorporated under the provisions of any state or federal law or any corporation licensed as an industrial loan company under chapter 536A, as well as any affiliate of a bank, savings and loan association, credit union, or industrial loan company.	$1,000,000
Bullion, Coins and Currency	Coins, currency, and bullion are exempt from sales and use tax. Bullion means bars, ingots, commemorative medallions of gold, silver, platinum, palladium, or a combination of these where the value of the metal depends on its content and not the form. Coins or currency means a coin or currency made of gold, silver, or other metal or paper which is or has been used as legal tender.	$1,000,000
Partial Exemption on Mobile Homes	Eighty percent of the purchase price for a mobile home or manufactured housing is exempt from sales and use tax. The applicable purchase price should be reduced by a trade-in allowance if (1) the property traded for the mobile home or manufactured housing is a type of property normally sold in the regular course of business of the retailer selling the home or housing and (2) the retailer intends ultimately to sell the traded property at retail or to use the traded property in the manufacturing of a like item.	$1,000,000
Prizes for Social and Charitable	Tangible personal property that is to be given as prizes to players in social and charitable games of skill, games of under Iowa Code chapter 99B is exempt from sales and use tax. A gift certificate is not tangible personal property; if a person wins a gift certificate as a prize, at the time the person redeems the gift certificate, sales and use tax is due on any item purchased.	$900,000

Tax Expenditure	Description	Lost Revenue
Modular Home	Forty percent of the gross receipts of sales of modular homes is exempt from tax. A modular home is any structure, built in a factory, made to be used as a place for human habitation which cannot be attached or towed behind a motor vehicle and which does not have permanently attached to its body or frame any wheels or axles.	$800,000
Environmental Testing Services	Environmental testing services performed at a laboratory, in the field, or by a mobile testing service are exempt from the sales and use tax. Environmental testing means the physical or chemical analysis of soil, water, wastewater, air, or solid waste performed in order to ascertain the presence of environmental contamination or degradation.	$600,000
Fishing and Hunting Guide Services	Fishing and hunting guide services are not listed as an enumerated taxable service; these services are implicitly exempt from sales and use tax.	$500,000
Fees for Games and Amusements	Entry fees at a place of amusement, fair or athletic event are not subject to sales and use tax when the sales of tickets or admissions charges for observing the activity are taxable. A fee includes, but is not limited to, entry fees, registration fees, or other charges made by the operator or sponsor of a game or other form of amusement for the right to participate in a game or amusement. Game or other form of amusement includes, but is not limited to, events such as golf tournaments, bowling tournaments, car races, motorcycle races, bridge tournaments, rodeos, animal shows, fishing contests, balloon races, and trap shoots.	$300,000
Lodging for Religious Retreats	Lodging furnished to the guests of a religious institution if the property is tax-exempt and the purpose of renting is to provide a place for a religious retreat or function and not a place for transient guests generally is exempt from the hotel and motel excise tax and the sales and use tax.	$200,000
Long-Term Motor Vehicle Rental	The leasing of any vehicle subject to registration for a gross weight of 13 tons or less is exempt from sales and use tax and the automobile rental tax if the written lease is for more than 60 days and if the lessor, at the time of the signing of the lease, is licensed under Iowa Code 321F. Use tax may be imposed upon certain motor vehicle leases for a period of 12 months or more. Note: The estimate includes both the exemption from the six percent state sales and use tax and the five percent automobile rental tax.	$200,000

Tax Expenditure	Description	Lost Revenue
Recycling and Waste Reprocessing Equipment	Sales or rentals of machinery, equipment, or computers directly and primarily used in the recycling or reprocessing of waste products are exempt from sales and use tax. Machinery or equipment eligible include compactors, balers, crushers, grinders, cutters, or shears. Recycling or reprocessing begins when waste or material, which would otherwise become waste, is collected or separated. The end of recycling or reprocessing is when waste or a material which would otherwise become waste is in the form of raw material in which it will be used in manufacturing or in the form of a product which will be sold for use other than as a raw material in manufacturing.	$200,000
	Conservative Approach Total	**$1,005,700,000**
	Aggressive Approach Total	**$2,907,300,000**

Table 9: Iowa Counties, School District Numbers, Surtax Rates for 2020[9]

01-ADAIR
0018 ADAIR-CASEY 8%
0914 CAM 10%
2673 NODAWAY VALLEY 2%
4978 ORIENT-MACKSBURG 11%
6264 WEST CENTRAL VALLEY 5%

02-ADAMS
0914 CAM 10%
1431 CORNING 7%
1503 CRESTON 6%
2718 GRISWOLD 9%
3609 LENOX 2%
4978 ORIENT-MACKSBURG 11%
6651 VILLISCA 5%

03-ALLAMAKEE
0135 ALLAMAKEE 8%
1638 DECORAH 6%
1972 EASTERN ALLAMAKEE 10%
4419 MFL MAR MAC 10%
5310 POSTVILLE 15%

04-APPANOOSE*
(see footnote below)
0081 ALBIA 2%
1071 CENTERVILLE 4%
4491 MORAVIA 11%
4518 MOULTON-UDELL 13%
5895 SEYMOUR 11%

05-AUDUBON
0018 ADAIR-CASEY 8%
0387 ATLANTIC 12%
0414 AUDUBON 6%
0914 CAM 10%
1413 COON RAPIDS-BAYARD 8%
2151 EXIRA-ELK HORN-KIMBALLTON 6%
2754 GUTHRIE CENTER 7%
3168 IKM-MANNING 4%

06-BENTON
0576 BELLE PLAINE 4%
0609 BENTON 4%
1062 CENTER POINT-URBANA 2%
1337 COLLEGE COMMUNITY 0%
1935 UNION 7%
3105 INDEPENDENCE 7%
4777 NORTH LINN 3%
6660 VINTON-SHELLSBURG 7%

07-BLACK HAWK
1044 CEDAR FALLS 0%
1719 DENVER 4%
1791 DIKE-NEW HARTFORD 7%
1908 DUNKERTON 8%
1935 UNION 7%
2502 GLADBROOK-REINBECK 3%
3042 HUDSON 2%
3186 JANESVILLE 6%
3204 JESUP 0%
6660 VINTON-SHELLSBURG 7%
6762 WAPSIE VALLEY 11%
6795 WATERLOO 0%
6840 WAVERLY-SHELL ROCK 6%

08-BOONE
0472 BALLARD 2%
0729 BOONE 2%
2466 GILBERT 0%
3195 GREENE COUNTY 12%
3942 MADRID 5%
4779 NORTH POLK 1%
4878 OGDEN 4%
5184 PERRY 3%
5643 ROLAND-STORY 8%
6095 SOUTH HAMILTON 7%
6096 SOUTHEAST WEBSTER-GRAND 7%
6246 STRATFORD 1%
6561 UNITED 7%
7110 WOODWARD-GRANGER 1%

09-BREMER
1719 DENVER 4%
1908 DUNKERTON 8%
3186 JANESVILLE 6%
4599 NASHUA-PLAINFIELD 7%
6273 SUMNER-FREDERICKSBURG 10%
6471 TRIPOLI 2%
6762 WAPSIE VALLEY 11%
6840 WAVERLY-SHELL ROCK 6%

10-BUCHANAN
1935 UNION 7%
1963 EAST BUCHANAN 5%
3105 INDEPENDENCE 7%
3204 JESUP 0%
4777 NORTH LINN 3%
4869 OELWEIN 5%
6175 STARMONT 2%
6660 VINTON-SHELLSBURG 7%
6762 WAPSIE VALLEY 11%
6950 WEST DELAWARE CO 5%

11-BUENA VISTA
0072 ALBERT CITY-TRUESDALE 0%
0171 ALTA-AURELIA 9%
2376 GALVA-HOLSTEIN 10%
3537 LAURENS-MARATHON 3%
4644 NEWELL-FONDA 8%
5823 SCHALLER-CRESTLAND 2%
6048 SIOUX CENTRAL 5%
6219 STORM LAKE 4%

12-BUTLER
0009 AGWSR 8%
0153 NORTH BUTLER 1%
0279 APLINGTON-PARKERSBURG 8%
1215 CLARKSVILLE 4%
1791 DIKE-NEW HARTFORD 7%
2781 HAMPTON-DUMONT 3%
4599 NASHUA-PLAINFIELD 7%
6840 WAVERLY-SHELL ROCK 6%

13-CALHOUN
4023 MANSON-NW WEBSTER 6%
4644 NEWELL-FONDA 8%
5283 POCAHONTAS AREA 9%
5323 PRAIRIE VALLEY 5%
6091 SOUTH CENTRAL CALHOUN 1%

14-CARROLL
0355 AR-WE-VA 8%
0999 CARROLL 3%
1413 COON RAPIDS-BAYARD 8%
2520 GLIDDEN-RALSTON 5%
3168 IKM-MANNING 4%
6091 SOUTH CENTRAL CALHOUN 1%
6741 EAST SAC COUNTY 1%

15-CASS
0387 ATLANTIC 12%
0441 AHSTW 10%
0914 CAM 10%
2151 EXIRA-ELK HORN-KIMBALLTON 6%
2718 GRISWOLD 9%

16-CEDAR
0603 BENNETT 1%
1926 DURANT 4%
3691 NORTH CEDAR 10%
3744 LISBON 2%
4269 MIDLAND 11%
6408 TIPTON 10%
6930 WEST BRANCH 2%
6975 WEST LIBERTY 2%
7038 WILTON 2%

17-CERRO GORDO
1233 CLEAR LAKE 5%
2295 FOREST CITY 10%
2403 GARNER-HAYFIELD-VENTURA 6%
4131 MASON CITY 6%
4772 CENTRAL SPRINGS 7%
5697 RUDD-ROCKFORD-MARBLE ROCK 5%
5922 WEST FORK 5%

18-CHEROKEE
0171 ALTA-AURELIA 9%
1152 CHEROKEE 5%
1975 RIVER VALLEY 2%
2376 GALVA-HOLSTEIN 10%
3348 KINGSLEY-PIERSON 4%
4068 MARCUS-MERIDEN CLEGHORN 8%
5157 SOUTH O'BRIEN 10%
6048 SIOUX CENTRAL 5%

19-CHICKASAW
1116 CHARLES CITY 6%
3029 HOWARD-WINNESHIEK 6%
4599 NASHUA-PLAINFIELD 7%
4662 NEW HAMPTON 6%
6273 SUMNER-FREDERICKSBURG 10%
6471 TRIPOLI 2%
6509 TURKEY VALLEY 0%

20-CLARKE
1211 CLARKE 5%
1970 EAST UNION 11%
3119 INTERSTATE 35 0%
4505 MORMON TRAIL 10%
4572 MURRAY 10%

*Rates for residents of Appanoose County include a 1 percent local option surtax for Emergency Medical Services.

21-CLAY
1218 CLAY CENTRAL-EVERLY 1%
2556 GRAETTINGER-TERRIL 2%
2862 HARTLEY-MELVIN-SANBORN 6%
3537 LAURENS-MARATHON 3%
4890 OKOBOJI 2%
5157 SOUTH O'BRIEN 10%
5724 RUTHVEN-AYRSHIRE 10%
6048 SIOUX CENTRAL 5%
6102 SPENCER 4%

22-CLAYTON
1080 CENTRAL CLAYTON 1%
1989 EDGEWOOD-COLESBURG 2%
2763 CLAYTON RIDGE 0%
4419 MFL MAR MAC 10%
4774 NORTH FAYETTE VALLEY 7%
5310 POSTVILLE 15%
6175 STARMONT 2%
6961 WESTERN DUBUQUE CO 6%

23-CLINTON
0918 CALAMUS-WHEATLAND 6%
0936 CAMANCHE 0%
1082 CENTRAL DE WITT 7%
1278 CLINTON 7%
1675 DELWOOD 8%
1965 EASTON VALLEY 4%
4041 MAQUOKETA 8%
4269 MIDLAND 11%
4773 NORTHEAST 9%

24-CRAWFORD
0355 AR-WE-VA 8%
1134 CHARTER OAK-UTE 2%
1701 DENISON 1%
1917 BOYER VALLEY 7%
3168 IKM-MANNING 4%
4033 MAPLE VALLEY-ANTHON OTO 2%
4860 ODEBOLT-ARTHUR-BATTLE CREEK-IDA GROVE 1%
5832 SCHLESWIG 1%
6741 EAST SAC COUNTY 1%

25-DALLAS
0027 ADEL-DESOTO-MINBURN 0%
1576 DALLAS CENTER-GRIMES 0%
1953 EARLHAM 0%
3942 MADRID 5%
5121 PANORAMA 4%
5184 PERRY 3%
6264 WEST CENTRAL VALLEY 5%
6615 VAN METER 4%
6822 WAUKEE 0%
6957 WEST DES MOINES 0%
7110 WOODWARD-GRANGER 1%

26-DAVIS
0657 EDDYVILLE-BLAKESBURG-FREMONT 5%
0977 CARDINAL 9%
1619 DAVIS COUNTY 1%
4491 MORAVIA 10%
4518 MOULTON-UDELL 12%
6592 VAN BUREN COUNTY 10%

27-DECATUR
1093 CENTRAL DECATUR 1%
1211 CLARKE 5%
3465 LAMONI 7%
4505 MORMON TRAIL 10%
4527 MOUNT AYR 6%
4572 MURRAY 10%
6854 WAYNE 3%

28-DELAWARE
1989 EDGEWOOD-COLESBURG 2%
4043 MAQUOKETA VALLEY 0%
4446 MONTICELLO 2%
4777 NORTH LINN 3%
6175 STARMONT 2%
6950 WEST DELAWARE CO 5%
6961 WESTERN DUBUQUE CO 6%

29-DES MOINES
0882 BURLINGTON 0%
1602 DANVILLE 2%
2322 FORT MADISON 5%
4203 MEDIAPOLIS 10%
4509 MORNING SUN 7%
4689 NEW LONDON 9%
6759 WAPELLO 8%
6937 WEST BURLINGTON 0%
7047 WINFIELD-MT UNION 7%

30-DICKINSON
1218 CLAY CENTRAL-EVERLY 1%
2124 ESTHERVILLE-LINCOLN CENTRAL 10%
2556 GRAETTINGER-TERRIL 2%
2846 HARRIS-LAKE PARK 0%
2862 HARTLEY-MELVIN-SANBORN 6%
4890 OKOBOJI 2%
6120 SPIRIT LAKE 4%

31-DUBUQUE
1863 DUBUQUE, 0%
4041 MAQUOKETA 8%
4446 MONTICELLO 2%
6961 WESTERN DUBUQUE CO 6%

32-EMMET
0333 NORTH UNION 6%
2124 ESTHERVILLE-LINCOLN CENTRAL 10%
2556 GRAETTINGER-TERRIL 2%

33-FAYETTE
4774 NORTH FAYETTE VALLEY 7%
4869 OELWEIN 5%
5310 POSTVILLE 15%
6175 STARMONT 2%
6273 SUMNER-FREDERICKSBURG 10%
6509 TURKEY VALLEY 0%
6762 WAPSIE VALLEY 11%
6943 WEST CENTRAL 13%

34-FLOYD
0153 NORTH BUTLER 1%
1116 CHARLES CITY 6%
4599 NASHUA-PLAINFIELD 7%
4772 CENTRAL SPRINGS 7%
4995 OSAGE 2%
5697 RUDD-ROCKFORD-MARBLE ROCK 5%

35-FRANKLIN
0009 AGWSR 8%
0108 ALDEN 10%
0594 BELMOND-KLEMME 3%
0916 CAL 11%
1206 CLARION-GOLDFIELD-DOWS 8%
2781 HAMPTON-DUMONT 3%
3150 IOWA FALLS 1%
5922 WEST FORK 5%

36-FREMONT
2369 FREMONT-MILLS 18%
2772 HAMBURG 7%
5976 SHENANDOAH 8%
6003 SIDNEY 20%

37-GREENE
1413 COON RAPIDS-BAYARD 8%
2520 GLIDDEN-RALSTON 5%
3195 GREENE COUNTY 12%
5121 PANORAMA 4%
5139 PATON-CHURDAN 5%
5184 PERRY 3%
5323 PRAIRIE VALLEY 5%
6091 SOUTH CENTRAL CALHOUN 1%
6096 SOUTHEAST WEBSTER-GRAND 7%

38-GRUNDY
0009 AGWSR 8%
0279 APLINGTON-PARKERSBURG 8%
0540 BCLUW 8%
1791 DIKE-NEW HARTFORD 7%
2007 ELDORA-NEW PROVIDENCE 5%
2502 GLADBROOK-REINBECK 3%
2727 GRUNDY CENTER 6%

39-GUTHRIE
0018 ADAIR-CASEY 8%
0414 AUDUBON 6%
1413 COON RAPIDS-BAYARD 8%
2151 EXIRA-ELK HORN-KIMBALLTON 6%
2754 GUTHRIE CENTER 7%
5121 PANORAMA 4%
6264 WEST CENTRAL VALLEY 5%

40-HAMILTON
3033 HUBBARD-RADCLIFFE 0%
5643 ROLAND-STORY 8%
6095 SOUTH HAMILTON 7%
6246 STRATFORD 1%
6867 WEBSTER CITY 4%

41-HANCOCK
0126 ALGONA 6%
0594 BELMOND-KLEMME 3%
0819 WEST HANCOCK 11%
1206 CLARION-GOLDFIELD-DOWS 8%
2295 FOREST CITY 10%
2403 GARNER-HAYFIELD-VENTURA 6%
3897 LU VERNE 13%
5922 WEST FORK 5%

42-HARDIN
0009 AGWSR 8%
0108 ALDEN 10%
0540 BCLUW 8%
1359 COLO-NESCO 0%
2007 ELDORA-NEW PROVIDENCE 5%
3033 HUBBARD-RADCLIFFE 0%
3150 IOWA FALLS 1%
5643 ROLAND-STORY 8%

43-HARRISON
0441 AHSTW 10%
1917 BOYER VALLEY 7%
2826 HARLAN 7%
3798 LOGAN-MAGNOLIA 7%
4356 MISSOURI VALLEY 4%
6460 TRI-CENTER 2%
6969 WEST HARRISON 2%
6987 WEST MONONA 4%
7092 WOODBINE 14%

44-HENRY
1602 DANVILLE 2%
2169 FAIRFIELD 1%
2322 FORT MADISON 5%
4536 MOUNT PLEASANT 5%
4689 NEW LONDON 9%
6592 VAN BUREN 10%
6700 WACO 0%
7047 WINFIELD-MT UNION 7%

45-HOWARD
3029 HOWARD-WINNESHIEK 6%
4662 NEW HAMPTON 6%
5508 RICEVILLE 9%
6509 TURKEY VALLEY 0%

46-HUMBOLDT
1206 CLARION-GOLDFIELD-DOWS 8%
1944 EAGLE GROVE 7%
2493 GILMORE CITY-BRADGATE 5%
3060 HUMBOLDT 5%
3897 LU VERNE 13%
6516 TWIN RIVERS 6%
6921 WEST BEND-MALLARD 0%

47-IDA
1701 DENISON 1%
1975 RIVER VALLEY 2%
2376 GALVA-HOLSTEIN 10%
4033 MAPLE VALLEY-ANTHON OTO 2%
4860 ODEBOLT-ARTHUR-BATTLE CREEK-IDA GROVE 1%
5823 SCHALLER-CRESTLAND 2%
5832 SCHLESWIG 1%

48-IOWA
0576 BELLE PLAINE 4%
0609 BENTON 4%
1221 CLEAR CREEK-AMANA 11%
2097 ENGLISH VALLEYS 16%
2766 HLV 9%
3154 IOWA VALLEY 12%
4271 MID-PRAIRIE 12%
6462 TRI-COUNTY 1%
7029 WILLIAMSBURG 6%

49-JACKSON
0243 ANDREW 5%
0585 BELLEVUE 3%
1675 DELWOOD 8%
1863 DUBUQUE 0%
1965 EASTON VALLEY 4%
4041 MAQUOKETA 8%
4269 MIDLAND 11%
6961 WESTERN DUBUQUE CO 6%

50-JASPER
0513 BAXTER 7%
0720 BONDURANT-FARRAR 3%
1332 COLFAX-MINGO 1%
1350 COLLINS-MAXWELL 7%
2709 GRINNELL-NEWBURG 2%
3582 EAST MARSHALL 10%
3906 LYNNVILLE-SULLY 8%
4725 NEWTON 7%
5166 PELLA 4%
5319 PCM 5%
6101 SOUTHEAST POLK 5%

Iowa Counties, School District Numbers, Surtax Rates for 2020 Continued...

51-JEFFERSON
0977 CARDINAL 9%
2169 FAIRFIELD 1%
4536 MOUNT PLEASANT..... 5%
5163 PEKIN..... 1%
6700 WACO 0%
6768 WASHINGTON..... 8%

52-JOHNSON
1221 CLEAR CREEK-AMANA ... 11%
1337 COLLEGE COMMUNITY 0%
2977 HIGHLAND..... 2%
3141 IOWA CITY..... 4%
3744 LISBON 2%
3816 LONE TREE 9%
4271 MID-PRAIRIE 12%
4554 MOUNT VERNON..... 5%
6093 SOLON..... 4%
6930 WEST BRANCH..... 2%
6975 WEST LIBERTY 2%
7029 WILLIAMSBURG..... 6%

53-JONES
0234 ANAMOSA..... 6%
3691 NORTH CEDAR 10%
3744 LISBON 2%
4269 MIDLAND 11%
4446 MONTICELLO 2%
4554 MOUNT VERNON..... 5%
4905 OLIN..... 1%
6961 WESTERN DUBUQUE CO . 6%

54-KEOKUK
0657 EDDYVILLE-BLAKESBURG-FREMONT..... 5%
2097 ENGLISH VALLEYS 16%
3330 KEOTA 9%
5163 PEKIN..... 1%
6012 SIGOURNEY..... 1%
6462 TRI-COUNTY 1%

55-KOSSUTH
0126 ALGONA 6%
0333 NORTH UNION 6%
0873 NORTH IOWA..... 2%
3897 LU VERNE..... 13%
4778 NORTH KOSSUTH 5%
6516 TWIN RIVERS..... 6%
6921 WEST BEND-MALLARD 0%

56-LEE
1079 CENTRAL LEE 5%
2322 FORT MADISON 5%
3312 KEOKUK 0%
4536 MOUNT PLEASANT..... 5%
6592 VAN BUREN COUNTY 10%

57-LINN
0099 ALBURNETT 1%
0234 ANAMOSA..... 6%
1053 CEDAR RAPIDS..... 4%
1062 CENTER POINT-URBANA.. 2%
1089 CENTRAL CITY..... 0%
1337 COLLEGE COMMUNITY 0%
3715 LINN-MAR 0%
3744 LISBON 2%
4086 MARION 3%
4446 MONTICELLO 2%
4554 MOUNT VERNON..... 5%
4777 NORTH LINN..... 3%
6093 SOLON..... 4%
6138 SPRINGVILLE..... 1%

58-LOUISA
1368 COLUMBUS 10%
3816 LONE TREE 9%
3841 LOUISA-MUSCATINE 8%
4203 MEDIAPOLIS..... 10%
4509 MORNING SUN..... 7%
6700 WACO 0%
6759 WAPELLO 8%
7047 WINFIELD-MT UNION 7%

59-LUCAS
1107 CHARITON..... 2%
1211 CLARKE 5%
4505 MORMON TRAIL..... 10%
6094 SOUTHEAST WARREN..... 5%
6854 WAYNE 3%

60-LYON
0747 BOYDEN-HULL..... 5%
1095 CENTRAL LYON..... 7%
2457 GEORGE-LITTLE ROCK .. 12%
5607 ROCK VALLEY..... 0%
5949 SHELDON 6%
6983 WEST LYON 10%

61-MADISON
0027 ADEL-DESOTO-MINBURN 0%
1953 EARLHAM..... 0%
1970 EAST UNION 11%
2673 NODAWAY VALLEY 2%
3119 INTERSTATE 35 ..... 0%
4122 MARTENSDALE-ST MARYS1%
4978 ORIENT-MACKSBURG..... 11%
6615 VAN METER 4%
7056 WINTERSET 4%

62-MAHASKA
0657 EDDYVILLE-BLAKESBURG-FREMONT..... 5%
3906 LYNNVILLE-SULLY..... 8%
4776 NORTH MAHASKA 2%
5013 OSKALOOSA..... 4%
5166 PELLA 4%
6462 TRI-COUNTY 1%
6512 TWIN CEDARS 2%

63-MARION
1107 CHARITON..... 2%
3375 KNOXVILLE 7%
4212 MELCHER-DALLAS..... 2%
5166 PELLA 4%
5256 PLEASANTVILLE..... 8%
5319 PCM 5%
6101 SOUTHEAST POLK..... 5%
6512 TWIN CEDARS 2%

64-MARSHALL
0513 BAXTER..... 7%
0540 BCLUW 8%
1350 COLLINS-MAXWELL 7%
1359 COLO-NESCO 0%
2007 ELDORA-NEW PROVIDENCE 5%
2502 GLADBROOK-REINBECK .. 3%
2682 GMG..... 9%
3582 EAST MARSHALL..... 10%
4104 MARSHALLTOWN..... 0%
6985 WEST MARSHALL..... 8%

65-MILLS
2369 FREMONT-MILLS 18%
2511 GLENWOOD..... 9%
3645 LEWIS CENTRAL 1%
3978 EAST MILLS..... 11%
5976 SHENANDOAH..... 8%
6453 TREYNOR..... 5%

66-MITCHELL
4772 CENTRAL SPRINGS..... 7%
4995 OSAGE..... 2%
5508 RICEVILLE..... 9%
5697 RUDD-ROCKFORD-MARBLE ROCK 5%
5751 ST ANSGAR..... 7%

67-MONONA
1134 CHARTER OAK-UTE 2%
1917 BOYER VALLEY 7%
4033 MAPLE VALLEY-ANTHON OTO 2%
6969 WEST HARRISON 2%
6987 WEST MONONA..... 4%
6992 WESTWOOD 7%
7002 WHITING..... 5%
7092 WOODBINE 14%

68-MONROE
0081 ALBIA 1%
0657 EDDYVILLE-BLAKESBURG-FREMONT..... 5%
4491 MORAVIA..... 10%

69-MONTGOMERY
2113 ESSEX 9%
2718 GRISWOLD..... 9%
3978 EAST MILLS..... 11%
5463 RED OAK 10%
5976 SHENANDOAH..... 8%
6165 STANTON 2%
6651 VILLISCA..... 5%

70-MUSCATINE
1368 COLUMBUS..... 10%
1611 DAVENPORT 0%
1926 DURANT 4%
3841 LOUISA-MUSCATINE..... 8%
4581 MUSCATINE 1%
6975 WEST LIBERTY 2%
7038 WILTON 2%

71-O'BRIEN
1218 CLAY CENTRAL-EVERLY .. 1%
2862 HARTLEY-MELVIN-SANBORN..... 6%
4149 MOC-FLOYD VALLEY 3%
5157 SOUTH O'BRIEN 10%
5949 SHELDON..... 6%
6048 SIOUX CENTRAL 5%

72-OSCEOLA
2457 GEORGE-LITTLE ROCK ... 12%
2846 HARRIS-LAKE PARK..... 0%
2862 HARTLEY-MELVIN-SANBORN 6%
5949 SHELDON..... 6%
5994 SIBLEY-OCHEYEDAN..... 7%

73-PAGE
0549 BEDFORD..... 10%
1197 CLARINDA 8%
2113 ESSEX 9%
5463 RED OAK 10%
5976 SHENANDOAH 8%
6097 SOUTH PAGE..... 13%
6165 STANTON 2%
6651 VILLISCA 5%

74-PALO ALTO
0333 NORTH UNION 6%
2088 EMMETSBURG..... 14%
2556 GRAETTINGER-TERRIL 2%
3537 LAURENS-MARATHON..... 3%
5283 POCAHONTAS AREA 9%
5724 RUTHVEN-AYRSHIRE 10%
6921 WEST BEND-MALLARD..... 0%

75-PLYMOUTH
0063 AKRON-WESTFIELD..... 4%
2988 HINTON 3%
3348 KINGSLEY-PIERSON..... 4%
3555 LAWTON-BRONSON..... 1%
3600 LE MARS 0%
4068 MARCUS-MERIDEN CLEGHORN..... 8%
5486 REMSEN-UNION 1%
6039 SIOUX CITY..... 2%
6990 WEST SIOUX..... 7%

76-POCAHONTAS
0072 ALBERT CITY-TRUESDALE 0%
2493 GILMORE CITY-BRADGATE 5%
3537 LAURENS-MARATHON..... 3%
4023 MANSON-NORTHWEST WEBSTER 6%
4644 NEWELL-FONDA..... 8%
5283 POCAHONTAS AREA 9%
6921 WEST BEND-MALLARD..... 0%

77-POLK
0261 ANKENY 0%
0472 BALLARD..... 2%
0720 BONDURANT-FARRAR..... 3%
0981 CARLISLE..... 0%
1350 COLLINS-MAXWELL 7%
1576 DALLAS CENTER-GRIMES 0%
1737 DES MOINES..... 0%
3231 JOHNSTON 0%
3942 MADRID 5%
4779 NORTH POLK..... 1%
5319 PCM 5%
5805 SAYDEL 0%
6101 SOUTHEAST POLK..... 5%
6579 URBANDALE 0%
6957 WEST DES MOINES 0%
7110 WOODWARD-GRANGER ... 1%

78-POTTAWATTAMIE
0387 ATLANTIC..... 12%
0441 AHSTW 10%
1476 COUNCIL BLUFFS 0%
2511 GLENWOOD..... 9%
2718 GRISWOLD..... 9%
3645 LEWIS CENTRAL 1%
4356 MISSOURI VALLEY..... 4%
4824 RIVERSIDE..... 9%
5463 RED OAK 10%
6453 TREYNOR..... 5%
6460 TRI-CENTER..... 2%
6534 UNDERWOOD..... 0%

79-POWESHIEK
0576 BELLE PLAINE 4%
0846 BROOKLYN-GUERNSEY-MALCOM 8%
2097 ENGLISH VALLEYS..... 16%
2709 GRINNELL-NEWBURG 2%
2766 HLV 9%
3582 EAST MARSHALL..... 10%
3906 LYNNVILLE-SULLY 8%
4437 MONTEZUMA 8%
4776 NORTH MAHASKA..... 2%
6098 SOUTH TAMA..... 3%
6462 TRI-COUNTY 1%

80-RINGGOLD
0549 BEDFORD..... 10%
1503 CRESTON 6%
1782 DIAGONAL..... 3%
1970 EAST UNION 11%
3465 LAMONI 7%
3609 LENOX..... 2%
4527 MOUNT AYR..... 6%

81-SAC
0171 ALTA-AURELIA..... 9%
2376 GALVA-HOLSTEIN 10%
4644 NEWELL-FONDA..... 8%
4860 ODEBOLT-ARTHUR-BATTLE CREEK-IDA GROVE..... 1%
5823 SCHALLER-CRESTLAND ... 2%
6091 SOUTH CENTRAL CALHOUN..... 1%
6219 STORM LAKE..... 4%
6741 EAST SAC COUNTY 1%

82-SCOTT
0603 BENNETT 1%
0621 BETTENDORF..... 0%
0918 CALAMUS-WHEATLAND 6%
1611 DAVENPORT..... 0%
1926 DURANT 4%
4784 NORTH SCOTT 1%
5250 PLEASANT VALLEY..... 0%

83-SHELBY
0441 AHSTW 10%
1917 BOYER VALLEY..... 7%
2151 EXIRA-ELK HORN-KIMBALLTON 6%
2826 HARLAN..... 7%
3168 IKM-MANNING..... 4%
6460 TRI-CENTER 2%
7092 WOODBINE 14%

84-SIOUX
0747 BOYDEN-HULL..... 5%
2457 GEORGE-LITTLE ROCK ... 12%
4149 MOC-FLOYD VALLEY 3%
5486 REMSEN-UNION 1%
5607 ROCK VALLEY 0%
5949 SHELDON..... 6%
6030 SIOUX CENTER 5%
6983 WEST LYON..... 10%
6990 WEST SIOUX..... 7%

85-STORY
0225 AMES..... 4%
0472 BALLARD..... 2%
1350 COLLINS-MAXWELL 7%
1359 COLO-NESCO 0%
2466 GILBERT..... 0%
4617 NEVADA 5%
4779 NORTH POLK..... 1%
5643 ROLAND-STORY..... 8%
6561 UNITED..... 7%
6985 WEST MARSHALL 8%

86-TAMA
0576 BELLE PLAINE 4%
0609 BENTON 4%
1935 UNION..... 7%
2502 GLADBROOK-REINBECK ... 3%
2682 GMG 9%
2727 GRUNDY CENTER..... 6%
3582 EAST MARSHALL 10%
4785 NORTH TAMA 7%
6098 SOUTH TAMA..... 3%

87-TAYLOR
0549 BEDFORD..... 10%
1197 CLARINDA 8%
1431 CORNING 7%
1782 DIAGONAL..... 3%
3609 LENOX..... 2%
4527 MOUNT AYR..... 6%
6651 VILLISCA 5%

88-UNION
1503 CRESTON..... 6%
1970 EAST UNION 11%
3609 LENOX..... 2%
4572 MURRAY..... 10%
4978 ORIENT-MACKSBURG 11%

89-VAN BUREN
0977 CARDINAL..... 9%
1619 DAVIS COUNTY 1%
2169 FAIRFIELD..... 1%
4536 MOUNT PLEASANT 5%
6592 VAN BUREN COUNTY 10%

90-WAPELLO
0657 EDDYVILLE-BLAKESBURG-FREMONT 5%
0977 CARDINAL..... 9%
2169 FAIRFIELD..... 1%
5049 OTTUMWA 0%
5163 PEKIN 1%

91-WARREN
0981 CARLISLE..... 0%
1737 DES MOINES 0%
3114 INDIANOLA..... 5%
3119 INTERSTATE 35..... 0%
4122 MARTENSDALE-ST MARYS . 1%
4797 NORWALK..... 0%
5256 PLEASANTVILLE..... 8%
6094 SOUTHEAST WARREN 5%

92-WASHINGTON
2169 FAIRFIELD..... 1%
2977 HIGHLAND 2%
3330 KEOTA..... 9%
4271 MID-PRAIRIE 12%
5163 PEKIN 1%
6700 WACO..... 0%
6768 WASHINGTON 8%
7047 WINFIELD-MT UNION..... 7%

93-WAYNE
4505 MORMON TRAIL 10%
5895 SEYMOUR..... 10%
6854 WAYNE..... 3%

94-WEBSTER
1944 EAGLE GROVE 7%
2313 FORT DODGE 2%
2493 GILMORE CITY-BRADGATE 5%
3060 HUMBOLDT..... 5%
4023 MANSON-NORTHWEST WEBSTER 6%
5323 PRAIRIE VALLEY..... 5%
6096 SOUTHEAST WEBSTER-GRAND..... 7%
6246 STRATFORD 1%
6867 WEBSTER CITY 4%

95-WINNEBAGO
0126 ALGONA 6%
0873 NORTH IOWA..... 2%
2295 FOREST CITY 10%
3420 LAKE MILLS 9%

96-WINNESHIEK
0135 ALLAMAKEE..... 8%
1638 DECORAH 6%
3029 HOWARD-WINNESHIEK..... 6%
5310 POSTVILLE 15%
6100 SOUTH WINNESHIEK..... 6%
6509 TURKEY VALLEY..... 0%

97-WOODBURY
1975 RIVER VALLEY..... 2%
3348 KINGSLEY-PIERSON..... 4%
3555 LAWTON-BRONSON 1%
4033 MAPLE VALLEY-ANTHON OTO 2%
4860 ODEBOLT-ARTHUR-BATTLE CREEK-IDA GROVE..... 1%
5877 SERGEANT BLUFF-LUTON 0%
6039 SIOUX CITY..... 2%
6992 WESTWOOD 7%
7098 WOODBURY CENTRAL..... 4%

98-WORTH
2295 FOREST CITY 10%
3420 LAKE MILLS 9%
4772 CENTRAL SPRINGS 7%
4788 NORTHWOOD-KENSETT 5%
5751 ST ANSGAR 7%

99-WRIGHT
0594 BELMOND-KLEMME 3%
0819 WEST HANCOCK..... 11%
0916 CAL 11%
1206 CLARION-GOLDFIELD-DOWS 8%
1944 EAGLE GROVE 7%
3060 HUMBOLDT..... 5%
5922 WEST FORK..... 5%
6867 WEBSTER CITY 4%

Appendix

1. *Iowa Department of Revenue, Economic Research Center calculations*

2. *The Economic Research Center's dynamic scoring model. Note: GDP, tax revenues, consumption and investment in millions of 2012 dollars. Employment is full-time equivalent non-farm jobs. Difference from Baseline results are rounded to the nearest $10 million for GDP, tax revenue, consumption and investment and are rounded to the nearest thousand for employment*

3. *Iowa Department of Revenue, US Census Bureau, Economic Research Center calculations*

4. *The Economic Research Center's dynamic scoring model. Note: GDP, tax revenues, consumption and investment in millions of 2012 dollars. Employment is full-time equivalent non-farm jobs. Difference from Baseline results are rounded to the nearest $10 million for GDP, tax revenue, consumption and investment and are rounded to the nearest thousand for employment*

5. *Iowa Department of Revenue, Economic Research Center calculations*

6. *Iowa Department of Revenue, Economic Research Center calculations*

7. *The Economic Research Center's dynamic scoring model. Note: GDP, tax revenues, consumption and investment in millions of 2012 dollars. Employment is full-time equivalent non-farm jobs. Difference from Baseline results are rounded to the nearest $10 million for GDP, tax revenue, consumption and investment and are rounded to the nearest thousand for employment*

8. *Iowa Department of Revenue, Economic Research Center calculations (Tax expenditures as displayed in this table are not adjusted for inflation).*

9. *Iowa Department of Revenue*

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