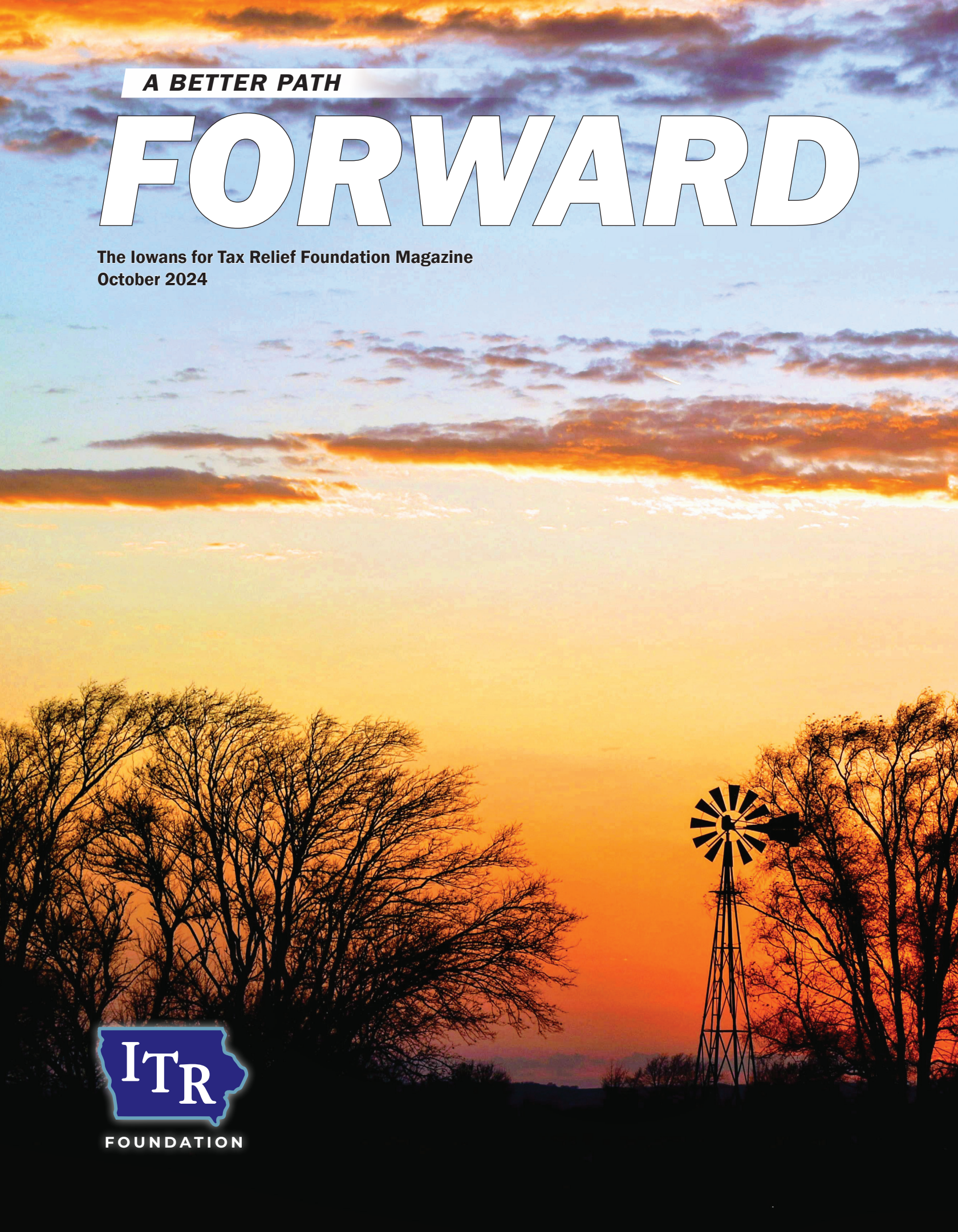

A BETTER PATH

FORWARD

The Iowans for Tax Relief Foundation Magazine
October 2024

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Address:
ITR Foundation
PO Box 39
Waukee, IA 50263

Phone:
515-895-3725

Email:
info@itrfoundation.org

@ITRFoundation

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The Course Ahead

Chris Ingstad
President

The November election will determine more than just who sits in the White House and which party controls Congress. While the candidates' governing philosophies will shape future decisions in Washington, DC, there are crucial policy issues that will need attention once the winners are sworn in. At the forefront for Iowans for Tax Relief Foundation is the impending expiration of the Tax Cuts and Jobs Act in 2025. The stakes are high, and in this edition, we share some of our recent work on this issue. Delivering tax relief must remain a priority for all elected officials.

Beyond the federal elections, we encourage you to remain engaged in your state and local elections as well. These may not always capture the headlines, but their outcomes can have a profound effect on your daily life. This year, Iowans are voting on key positions in the State House and Senate, along with county-level officials. These lawmakers work much closer to home, making decisions that directly affect your communities and tax bills; their influence often surpasses that of federal officials in shaping the policies that impact your day-to-day experience.

At Iowans for Tax Relief Foundation, we are grateful to work here in Iowa, where conservative principles still resonate with voters and officials alike. Here, your voice can truly make a difference, and together, we can help shape a hope-filled future for all Iowans.

I'll Take Kim Reynolds' Values Over Tim Walz's Extremism

By John Hendrickson

As a native Minnesotan, I am grateful for the leadership of Reynolds, who upholds the values that my family once saw in the DFL but now finds in Iowa.

Watching the changes in my native Minnesota has been difficult, but it also makes me thankful to now call Iowa home. I grew up in the Iron Range, a region in northeastern Minnesota that flourished for decades due to its timber and mining industries.

My family has long been supporters of organized labor and the Democrat-Farmer-Labor Party (DFL). Today, however, most of them feel abandoned by the DFL and Gov. Tim Walz and have shifted their allegiance to the Republican Party.

Minnesota has always had a streak of progressive populism, but under Walz, it has moved to the extreme. Today's DFL combines the economic theories of the early-20th-century Farmer-Labor Party with cultural Marxism. Walz has even shown sympathy towards socialism, as evidenced by his comment, "one person's socialism is another person's neighborliness." My grandparents, who were staunch DFL supporters, would be shocked by what's happening in Minnesota today.

Critics argue that Iowa Gov. Kim Reynolds is too conservative. Recently, Walz even called Sen. J.D. Vance "weird" on the campaign trail. The truth is, both Reynolds and Vance reflect the values of my DFL-supporting grandparents far more than Walz.

Under Reynolds, Iowa has upheld traditional Midwestern values. The state Legislature has passed laws prohibiting sexually explicit books in school libraries, requiring parental notification for pronoun use, and banning gender identity education for minors. Reynolds also signed a bill prohibiting sex change procedures for minors. Meanwhile, Minnesota has gone in the opposite direction, legalizing marijuana and allowing abortion on demand.

Reynolds has also expanded educational opportunities by delivering school choice to families and strengthening curriculum standards in public schools, focusing on American history and Western civilization. In contrast, Minnesota has embraced radical "liberated ethnic studies" curriculums that stray far from traditional educational values.

Kim Reynolds embodies the values that my grandparents lived by. This is a conservatism that respects tradition, believes in an enduring moral order, and upholds the balance between order and freedom.

The economy remains a critical issue for voters across the country, and Reynolds has been a strong advocate for a pro-growth agenda. Her administration has implemented tax and regulatory reforms, including a flat 3.8% income tax set to take effect next year. Prudent spending under her leadership has resulted in budget surpluses, full reserves, and a $3.7 billion Taxpayer Relief Fund. On the other hand, Minnesota has some of the highest tax rates in the nation, with a top rate of 9.85%. High taxes have led to people fleeing the state. Despite inheriting an $18 billion surplus, Walz's unsustainable spending has led to a looming $1.5 billion deficit.

The contrasting responses to the COVID-19 pandemic further highlight the differences between the two states. Reynolds approached the pandemic with a balanced perspective, keeping much of Iowa's economy open and ensuring that schools remained accessible for in-person learning. In contrast, Walz responded with heavy-handed government control, locking down the economy and even jailing some for violating his COVID orders. He went so far as to establish a "snitch" line for Minnesotans to report each other for supposed violations of social distancing mandates. While Walz's approach bordered on totalitarianism, Reynolds chose to respect the freedom and responsibility of Iowans.

Reynolds embodies the values that my grandparents lived by. My grandparents were "conservatives of the heart." This is a conservatism that respects tradition, believes in an enduring moral order, and upholds the balance between order and freedom. This stands in stark contrast to the revolutionary changes currently sweeping Minnesota under Walz.

As a native Minnesotan, I am grateful for the leadership of Reynolds, who upholds the values that my family once saw in the DFL but now finds in Iowa.

Federal Tax Law Change Raises Cost of Refinancing Debt for State and Local Governments

By Sarah Curry, DBA

State and local governments have enjoyed hundreds of billions of dollars in interest cost savings by refinancing their debt, but that all changed in 2018, costing taxpayers billions.

Iowa's state and local governments have almost $21 billion in outstanding debt obligations, with two-thirds of that total borne by local property taxpayers. The combined debt of Iowa's cities, counties, and schools exceeds $14 billion, meaning taxpayers are ultimately on the hook for the principal and interest payments of those bonds. Depending on changes in interest rates over the life of a bond, state and local governments can sometimes utilize tools like refinancing to lower the cost to taxpayers. Unfortunately, a little known aspect of the federal Tax Cuts and Jobs Acts (TCJA) has made that savings less likely to be achieved.

State and local governments use the municipal bond market to borrow funds much as homeowners use mortgage loans to finance their home purchases. Like homeowners, state and local governments can also refinance their debt when interest rates fall to reduce their debt-service payments and, in turn, save taxpayers money. Most of us clearly remember the falling interest rate environment of 2020 when many homeowners refinanced their mortgages to take advantage of lower interest rates.

One important aspect of investing in government debt is that it is commonly tax-exempt, meaning investors don't pay tax on the interest they receive from the bonds. Therefore, they are willing to accept lower interest rates than they would otherwise demand from taxable investments in the private sector. Clearly the favorable tax treatment of government bonds adds up to substantial taxpayer savings.

If interest rates drop dramatically over the lifetime of a given bond, the government entity may attempt to refinance or "re-fund" that bond. If a government issuer refinances its debt within 90 days of the call date (the predetermined optional redemption date), it is considered "current refunding". And if the issuer refinances before the 90-day call date window, it is considered "advance refunding". Historically, the federal government has allowed both types of re-financed bonds to retain their tax-exempt status. State and local governments of all types have thereby realized hundreds of billions of dollars in savings from interest costs.

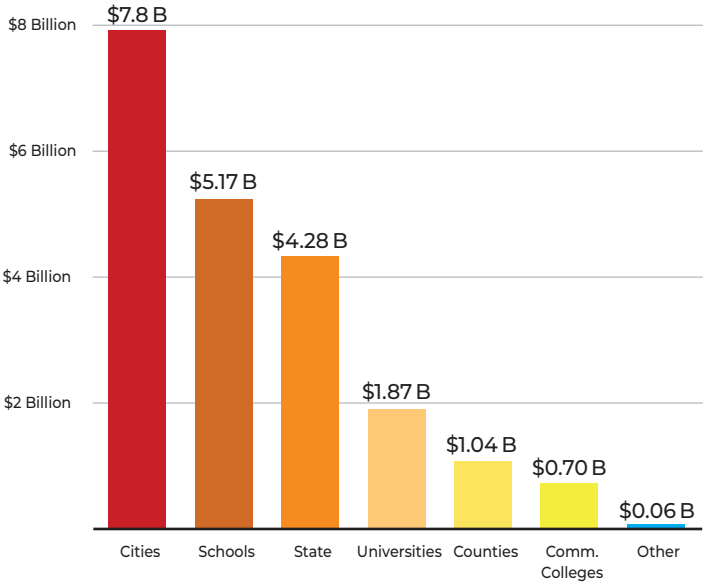
That all changed when TCJA was passed in 2017. Since that legislation was enacted, if a government entity proceeds with advance refunding, the bonds lose their tax-exempt status. Unfortunately, this change is permanent and not among the provisions of TCJA set to expire in 2025.

Dr. Andrew Kalotay has evaluated the effects of this change in our present high-interest-rate environment. Kalotay's analysis finds that taxable advance refunding has cost taxpayers billions of dollars since the TCJA change. For example, the Massachusetts School Building Authority (MSBA) saved $104.32 million by advance refunding its 2011B bonds with taxable 2019 bonds. However, if the authority had waited until the call date in 2021, refinancing with tax-exempt bonds through a current refunding, it would have saved $245.97 million. In other words, MSBA lost out on roughly $142 million, or 137%, in additional savings. The result was more debt payments borne by Massachusetts taxpayers.

Iowa's high municipal debt burden makes tax-exempt advance refunding especially beneficial for property taxpayers. Many bills have been filed in Congress to reinstitute this policy, but none have gained traction. Much of the TCJA is set to expire at the end of 2025, which will force lawmakers to consider the issue of debt re-funding alongside the multitude of other TCJA facets before that deadline.

Outstanding Dept Obligations in Iowa

2023



Source: Iowa State Treasurer

Learn How Much It Will Cost You if Federal Tax Cuts Expire

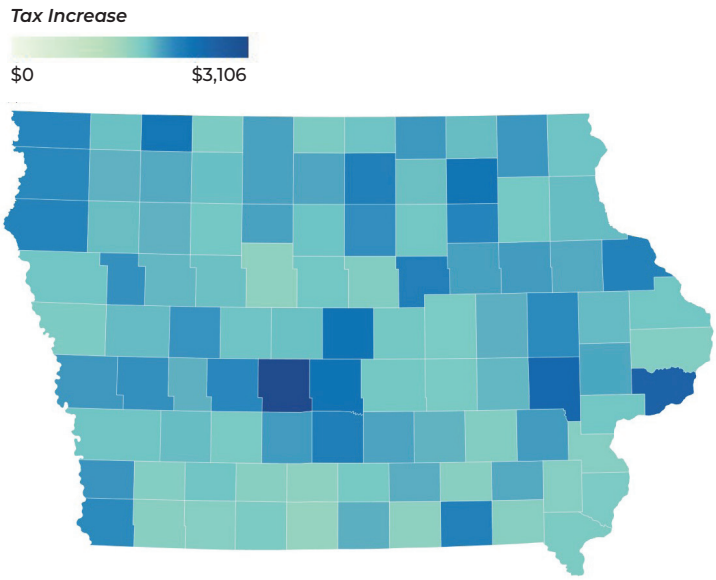
Washington, D.C. sets up a game of chicken between Iowa taxpayers and the sunset of the Tax Cuts and Jobs Act.

The Tax Cuts and Jobs Act of 2017 (TCJA) delivered significant tax relief to Iowans, from individuals to small business owners. However, key provisions of the TCJA are set to expire in 2025, leading to tax increases across Iowa, and the nation, unless Congress acts to renew or make these provisions permanent. Now, thanks to our friends at Tax Foundation, we can even see just how much the end of the Tax Cuts and Jobs Act may cost taxpayers in every corner of our state.

The TCJA introduced several crucial reforms, including lower individual and corporate income tax rates, a higher standard deduction, and a 20 percent deduction on qualified business income for pass-through businesses. Yet, because of small conservative majorities in Congress in 2017, many benefits for individuals and small businesses were temporary and are scheduled to sunset in 2025. If allowed to expire, individual income tax rates will revert to pre-2017 levels, the standard deduction will shrink, and the 20 percent deduction for qualified business income will disappear, resulting in higher taxes for Iowans.

The map below illustrates Tax Foundation's estimate of "the average change (increase) in taxes paid per taxpayer under TCJA expiration relative to current policy."

Average Tax Increase by County if TCJA Provisions Expire



Source: Tax Foundation

Iowans continue to struggle with high inflation and economic uncertainty, despite what they have been told to believe about Bidenomics. The expiration of these tax cuts would compound these challenges, affecting nearly every household and small business in the state. Even though Tax Foundation's estimates are just that, their calculations are certainly instructive about how and where the increased costs would be borne. Decatur County ($1,508) and Webster County ($1,555) filers are projected to receive the smallest reduction to their after-tax incomes, while Dallas County ($3,106) and Scott County ($2,619) filers would be hit the hardest.

The phasing out of pro-growth measures has already begun, with provisions like the full and immediate expensing of capital investments set to disappear, and limitations on interest and depreciation deductions soon to follow. The expiration of income tax rate reductions will especially impact middle-class taxpayers, reversing gains they have enjoyed since the TCJA was enacted.

To avoid these tax increases, Congress must make these tax cuts permanent. Stable, long-term tax policy fosters economic growth by reducing uncertainty and encouraging investment. Estimates of the increased tax bills from the expiration of TCJA peg the amount to be roughly $4 trillion nationwide over the next decade; if Congress fails to act, taxpayers across Iowa will face significant financial strain. This additional strain will stall economic growth and harm the broader economy.

Critics have claimed the TCJA primarily benefited the wealthy, but this is not the case. A majority of taxpayers saw reduced rates, and businesses benefited from provisions that enabled expansion, hiring, and wage increases. As 2025 approaches, Iowa taxpayers are increasingly worried about a potential tax hike. The need for Congress to renew or make the TCJA permanent is critical to prevent widespread tax increases. The economic stability of Iowa, and indeed the nation, depends on it.

Trump Tax Cuts Helped Everybody; It's Dangerous to Consider Letting Them End

By John Hendrickson and Matt Everson

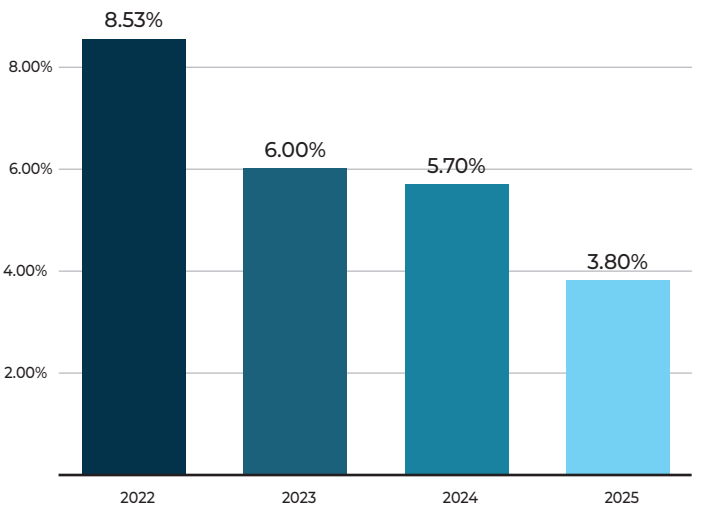
Individuals and small businesses should not foot the bill for the federal government's reckless spending.

At the center of America's heartland, Iowans are becoming more concerned with inflation and the growing economic uncertainty. "Bidenomics" is not working, and, to make matters worse, Iowans, as well as taxpayers across the nation, are facing a major tax increase in 2025 unless the Tax Cuts and Jobs Act (TCJA) is renewed or made permanent.

Some of the key TCJA provisions that are set to expire are the reductions to personal tax rates and the increase in the standard deduction, among other crucial reforms. Many small-business owners pay their taxes through the individual income tax code, and the TCJA included a 20% deduction of qualified business income, which is also set to expire.

This means that individuals and small businesses across the nation may be hit with a nearly $4 trillion dollar tax increase on top of continuing inflation. The historic TCJA, or the "Trump Tax Cuts," achieved tax reform and created a period of economic growth. Further, it helped spur what has become known as the "state income tax cut revolution."

Top Income Tax Rate in Iowa, By Year



*2025: Single (Flat) income tax bracket

...individuals and small businesses across the nation may be hit with a nearly $4 trillion dollar tax increase on top of continuing inflation.

In Iowa, just as in other states, individuals and businesses benefited from the TCJA. Many small businesses were able to expand, hire additional workers, and even provide bonuses. Many workers experienced a significant increase in their earnings as a result. Work was plentiful, and wages increased.

The TCJA also helped spur a pro-growth fiscal agenda in Iowa. In 2018, Gov. Kim Reynolds and the Republican-led Legislature made tax reform a priority. As a result, through a series of income tax reform measures, Iowa has gone from a progressive income tax system with a top rate close to 9% to a flat 3.8% rate starting in 2025. With a 3.8% flat tax in 2025, Iowa will have the sixth-lowest income tax rate in the nation. The combination of Reynolds' pro-growth tax reforms and the TCJA allows taxpayers to keep more of their hard-earned income.

Critics wrongly place blame on the TCJA for causing deficits and only providing "tax cuts for the rich." Both are false. Nominally, the federal government actually generated more revenue under the TCJA, and the reason why large deficits persist and the national debt continues to increase is not the result of tax cuts, but the failure to control spending.

The Congressional Budget Office recently projected that public debt is projected to reach $50 trillion by 2034. The federal government clearly has a spending problem that is not only responsible for the deficits and debt, but also for inflation.

Individuals and small businesses should not foot the bill for the federal government's reckless spending.

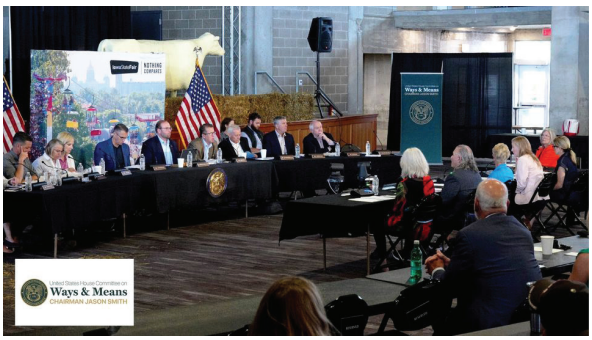
The TCJA was a clear benefit to individuals and small businesses, and it must be made permanent.

The Impact of the Tax Cuts and Jobs Act on an Iowa Family

By Sarah Curry, DBA

Making the TCJA permanent would ensure continued financial stability and enable families like mine to focus on what truly matters—raising happy, healthy children in a secure environment.

On August 16, 2024, I had the honor of testifying before the U.S. House of Representatives Ways and Means Committee at a field hearing in Des Moines, Iowa, on the impact of the Tax Cuts and Jobs Act (TCJA). While my professional experience as a public policy researcher is valuable, the viewpoint the committee was most interested in was from my personal life. When lawmakers, whether in Washington or Des Moines, make tax changes, it impacts families the most. As a wife and mother of three young boys, I know firsthand the effect tax changes have on our family, and I was honored to share that perspective with the committee.



My husband and I both work hard to provide for our children, and the TCJA's provisions have made that task a little easier. Living in rural southwest Iowa, my family enjoys the simplicity of life on an acreage property. But with this lifestyle comes the need for self-sufficiency and preparedness. The TCJA, particularly its expansion of the Child Tax Credit (CTC), has played a significant role in easing our financial burdens, allowing us to focus our resources on what matters most: our children.

For example, one of our children has special needs, requiring frequent medical appointments and various therapies. These costs are substantial, and the increased CTC has helped us redirect funds that would have otherwise gone to taxes toward his essential treatments. Many Iowa families can relate to this experience.

Another important aspect of the TCJA that is not commonly discussed is the increase in the standard deduction. We used to collect receipts and keep logbooks of expenses so we could itemize every year. Now, with a larger standard deduction, our tax filing process has been simplified, reducing the need to itemize deductions. This change has allowed me to spend less time on tax paperwork and more time with my children, which has been invaluable as a busy mother.

The reduction in marginal tax rates has also been beneficial for our family. My husband and I have worked hard to grow in our careers, and the reduced rates have allowed us to keep more of our earnings, providing financial stability at a time when costs for education, healthcare, and daily necessities are rising.

While I provided my personal account, I could not help but share the broader impact this would have on Iowans from a state perspective. In Iowa, our tax structure is deeply tied to the federal tax code, and a change at the federal level has state consequences. Iowa has recently lowered its top marginal tax rate and simplified its tax system. However, if the TCJA were to sunset, these gains could be reversed, complicating both federal and state tax policies and increasing the tax burden on families like mine.

In my closing remarks, I reminded lawmakers that the TCJA has been instrumental in providing much-needed tax relief for American families, especially those with special needs children. Making the TCJA permanent would ensure continued financial stability and enable families like mine to focus on what truly matters—raising happy, healthy children in a secure environment. Hopefully, Congress will extend the TCJA so families don't have to experience a tax increase when it is scheduled to expire in 2025.

Majority of Special Elections Approve Property Taxes; Low Turnout the Norm

By Sarah Curry, DBA

Voter turnout for city and county measures was 10.5%, while school measures drew only 8.5%.

On September 10, 2024, twenty-one local governments held special elections with property tax measures on the ballot. Unofficial results show most of the measures passed, adding up to nearly $14 million in property tax costs. Ten of the 13 participating school districts succeeded with their public measures, and voters in both Henry and Worth Counties approved new emergency management taxes. Meanwhile, three public measures involving property taxes failed on Tuesday.

Unofficial results show most of the measures passed, adding up to nearly $14 million in property tax costs.

Turnout was in the single digits for most school districts in which the measures succeeded. County and city emergency management property tax decisions generated much more engagement. Statewide, the turnout for September's special elections for city and county issues was 10.5%, while school measures saw turnout of only 8.5%.

SCHOOL ELECTIONS

Eleven school districts sought renewal of, or increases in, physical plant and equipment levies (PPELs), which generate local property tax dollars for infrastructure and equipment repairs. The ten measures that passed did so with collective support of nearly 80%.

Only Clarinda Community School District (CSD) voters said "no" to their PPEL proposal, which was for $1.34 per thousand dollars of valuation. In that Southwest Iowa community, 54% of the voters were against the tax increase. Interestingly, Clarinda voters had already rejected two bond issue referendums for building projects in 2023, while also defeating an earlier PPEL proposal in March, which was defeated by only six votes.

When it comes to debt service levies, two additional school district proposals were turned down by voters. Emmetsburg CSD and Van Buren CSD asked voters for increases ahead of a bond referendum scheduled for November. Both measures failed by strong margins. Emmetsburg CSD faced nearly 59% of voters' saying NO, while 82% of Van Buren CSD voters rejected a property tax increase for debt service.

Ten of the 13 participating school districts succeeded with their public measures, and voters in both Henry and Worth Counties approved new emergency management taxes. Yet, turnout numbers were in single digits for most school districts.

Voter turnout showed significantly higher engagement in districts where residents rejected the public measures than those in which the governments' proposals were successful. Clarinda CSD (31.3%) and Van Buren CSD (37.3%) had the largest turnouts. All other districts, except for Emmetsburg CSM and Montezuma CSD, experienced single-digit turnout figures, with one as low as 3.5%, amounting to only 37 voters interested in voicing their opinions in that election. In total, school public measures produced turnout of only 8.5%, or 10,496 of the more than 123,000 registered voters.

CITY AND COUNTY ELECTIONS

All of the city and county elections on September 10 were related to county emergency management services (EMS), and each of them were successes for the government agencies. This will result in $850,000 in new property taxes in Henry County and Worth County. Five small cities within Worth County also solidly passed EMS-related property taxes. Overall, the support margin for these EMS public measures was almost 95%. Upon passage of an EMS tax, all generated revenue is put into a dedicated trust fund to be used solely for such services as ambulance transport.

Voter turnout was also high for these EMS public measures. More than 50% of Henry County voters weighed in, while Worth County cities and districts saw turnout range from about 22% in the West Worth County EMS district to more than 40% in the City of Grafton.

Is the Constitution Still Relevant?

Defending the Constitution will be impossible if the American people fail to realize the importance and sacredness of the document.

By John Hendrickson

As President Warren G. Harding once said, "It is good to meet and drink at the fountain of wisdom inherited from the Founding Fathers of the republic." He also wondered aloud what George Washington might say in warning if he could witness the state of the nation today. Harding's reflection is a question Americans must take seriously as they confront the ongoing crisis in civic education—a crisis leading the republic down a dangerous path.

This decline in civic knowledge threatens the very foundation of the country. Civic education is crucial because it ensures that future generations understand the values and principles upon which the United States was founded. Without this, Americans risk losing the understanding necessary to sustain their democracy.

In the "foreword" to James M. Beck's The Constitution of the United States, President Calvin Coolidge underscored the importance of constitutional study for young Americans. He emphasized, "It is of first importance that the study of the Constitution should be [an] essential part of the education of the American youth." Coolidge further warned, "The Constitution is not self-perpetuating:"

"If it is to survive, it will be because it has public support... The Constitution of the United States is the final refuge of every right that is enjoyed by any American. So long as it is observed, those rights will be secure. Whenever it falls into disrespect or disrepute, the end of orderly organized government, as we have known it for more than one hundred and twenty-five years, will be at hand."

Coolidge's words highlight the significance of public support for the Constitution. Without this support, the nation risks sliding into disorder, losing the government of law that has sustained it for generations. The alternatives to a constitutional government are grim: "There is only one other form of authority, and that is a government of force. Americans must make their choice between these two. One signifies justice and liberty; the other tyranny and oppression."

Civic education is crucial because it ensures that future generations understand the values and principles upon which the United States was founded. Without this, Americans risk losing the understanding necessary to sustain their democracy.

Coolidge's insight remains relevant today. As the fabric of civic education unravels, so too does the public's connection to the Constitution. Americans must realize that "to live under the American Constitution is the greatest political privilege that was ever accorded to the human race."

The responsibility for reversing this trend lies with both political and cultural forces. Politically, there must be a renewed focus on teaching the Constitution and the nation's founding principles in schools. Without a comprehensive understanding of these documents and ideals, future generations cannot be expected to defend or sustain them.

Culturally, Americans must once again appreciate the unique nature of their system of government. As Coolidge once stated, "The more I study it, the more I have come to admire it, realizing that no other document devised by the hand of man ever brought so much progress and happiness to humanity. The good it has wrought can never be measured." This admiration for the Constitution must become a part of the nation's cultural consciousness.

Americans must rediscover the "constitutional worship" that conservatives of the 1920s embraced. This respect for the Constitution was not mere reverence for an old document; it was a recognition of the profound impact that the Constitution had on ensuring justice, liberty, and progress.

Revitalizing this cultural and political respect for the Constitution will not be easy, but it is necessary. If Americans fail to restore this sense of duty toward their founding principles, the nation risks becoming a place where force and tyranny replace law and liberty. As Coolidge rightly pointed out, "The Constitution represents a government of law," and any erosion of that principle puts the republic in jeopardy.

Lessons from the Past: The Path to Real Property Tax Relief in Iowa

By John Hendrickson and Tom Sands

Policymakers need to learn from history that reforms relying on tax shifts, "buy downs," assessment limitations, and the state swooping in seldom work.

At one time, Iowa relied entirely on property taxes to fund state government. In 1921, the state levied its next major tax—a two-cent-per-package "sin" tax on cigarettes. Then, in 1934, as a response to the economic struggles of the Great Depression, Iowa introduced its first sales and income taxes to provide property tax relief. While these new revenue sources helped offset property taxes, over time, they led to heavier tax burdens across the board—a lesson policymakers should remember today.

Currently, like many states, Iowa is grappling with high property tax bills. Raising or creating new taxes to lower others is not sound fiscal policy. Some states are considering broadening their sales tax base or increasing sales tax rates to reduce property taxes. While broadening the sales tax base can be beneficial, it must be approached carefully to avoid unintended consequences.

Iowa's property tax system is complex, and past reforms haven't yet provided sustained relief because they didn't address the core issue: government spending. Often, high property taxes are blamed on the assessment process, leading to calls for limitations like California's Proposition 13. However, assessment limits also have unintended consequences, such as distorting property values and complicating the system further. These limits can also discourage property improvements and lead to skyrocketing costs when properties are sold, as seen in California.

Another flawed fiscal policy is using the state budget or General Fund to "buy down" property tax rates. This occurred with the 2013 property tax reform measure that provided commercial property tax relief. The legislature created a "backfill" payment to compensate for lost revenue to cities and counties, capped at $152 million starting in FY 2017. Though intended as temporary, local governments came to expect the backfill as a permanent funding source. However, with rising property tax revenues, many cities and counties no longer needed the payments, prompting the legislature to phase out the backfill in 2021. Beginning in Fiscal Year 2023, the backfill has been undergoing a phase-out over a four-to-seven-year period, depending on the growth of a given city's or county's tax base.

Implementing a 2% property tax cap could save taxpayers $250 million a year.

The backfill exemplifies the problem of attempting property tax relief without restraining local government spending. In 2022, the legislature eliminated the county mental health levy, shifting the funding burden to the state General Fund. Although this should have provided property tax relief, many counties actually increased their rates instead. These examples show that shifting costs to the state budget is ineffective and unsustainable.

The root cause of high property taxes in Iowa is local government spending. Without spending control, tax rates will remain high, regardless of the tax. Over the past 20 years, property taxes in Iowa have increased nearly 110%, far outpacing inflation and population growth.

Addressing spending is the best mechanism to provide property tax relief. This is what Governor Kim Reynolds, and the legislature have done in order to lower income tax rates. With prudent budgeting and reforming government, Iowa's income tax rates have been substantially lowered. Local governments can follow the same approach.

Reforms such as levy or budget limits can help control local government spending. Implementing a 2% property tax cap could save taxpayers $250 million a year. This would be a common-sense fiscal policy reform, which would begin to provide property tax relief.

Iowans are demanding property tax relief as the budgets of too many local governments are growing beyond the ability of the taxpayer's ability to pay. Addressing spending is never easy because the voices demanding more spending are often louder than the taxpayers clamoring for relief. Policymakers need to learn from history that reforms relying on tax shifts, "buy downs," assessment limitations, and the state swooping in seldom work.

The solution for true property tax reform and relief can only be found in limiting local government spending.

Iowans Still Seek Tax Protections, Favor Trump Over Harris

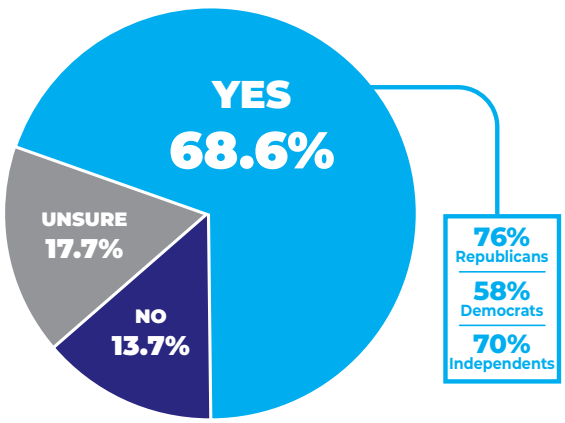
The most recent Iowans for Tax Relief Foundation Poll shows a majority of Iowans still want protections from property taxes and income taxes. Almost 70 percent (68.6%) of those surveyed want the State Legislature to limit the growth of property taxes to 2 percent annually, including a majority of Republicans (76%), Democrats (58%) and Independents (70%).

Similarly, support for amending Iowa's Constitution to require a supermajority vote of the State Legislature to vote yes on any tax increase transcends party lines with a majority of Republicans (83%), Democrats (54%) and Independents (68%) in favor of the proposal.

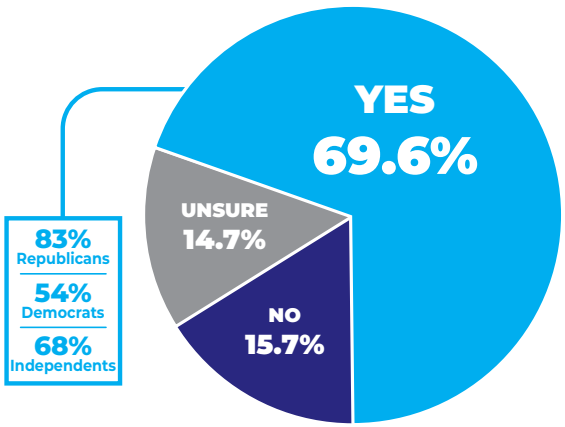
Looking ahead to November's election, Donald Trump (51.3%) leads Kamala Harris (44.6%) in a head-to-head matchup.

Republicans lead Democrats by nearly eight points (50.5% to 42.6%) on a generic congressional ballot. Inflation/Economy (21.0%) and Illegal Immigration/Border (15.8%) were identified as the most important issues in deciding who Iowans plan to vote for in Congress, with Threats to Democracy (14.6%) following closely behind. The percent of Iowans who identified Abortion as their most important issue moved up only slightly, growing from 9.8% in July to 10.6% now.

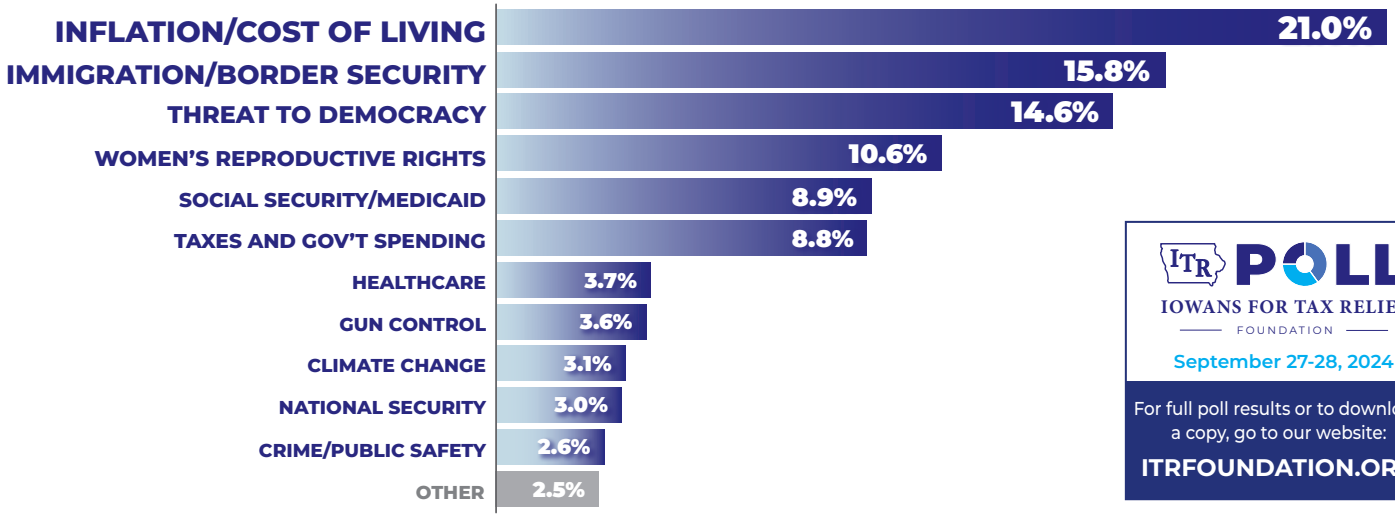
Iowans Want 2% Cap on Property Tax Increases



Iowans Support Income Tax Protection



Most Important Issues to Iowans



ITR POLL
IOWANS FOR TAX RELIEF FOUNDATION
September 27-28, 2024

For full poll results or to download a copy, go to our website:
ITRFOUNDATION.ORG

IOWANS FOR TAX RELIEF
FOUNDATION
PO BOX 39
WAUKEE, IOWA 50263

itrfoundation.org
@ITRFoundation

Making a Difference Together

At Iowans for Tax Relief Foundation, we're focused on alleviating the burdens that government imposes on hardworking Iowans.

Since 1982, we've been the leading voice for fiscal responsibility and economic freedom, achieving meaningful victories like eliminating the inheritance tax, creating a flat income tax, and reducing restrictive licensing regulations.

Now, we're tackling the growing pain of out-of-control property taxes. This issue impacts all of us, and we need your support to fight back. Together, we can shine a light on the facts and take action to bring relief to taxpayers across the state.

Your contribution will help us continue our efforts to reduce the financial burdens on Iowans and secure a brighter future for our state. Support ITRF today!

ITR Foundation gains strength and you gain influence when we work together!

Please consider making a tax-deductible donation today.

Your contribution makes more pro-growth wins possible, positioning Iowa as a stark contrast to the madness of Washington, D.C. Scan the QR Code or visit itrfoundation.org/contribute on our website.