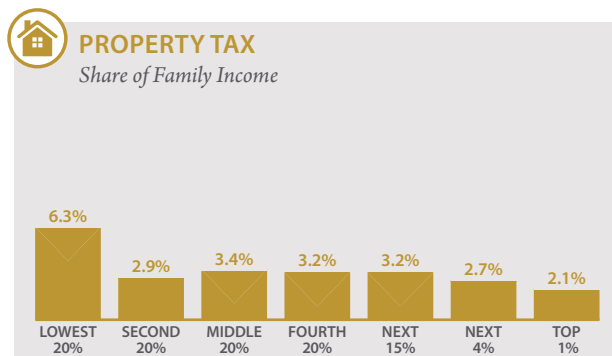
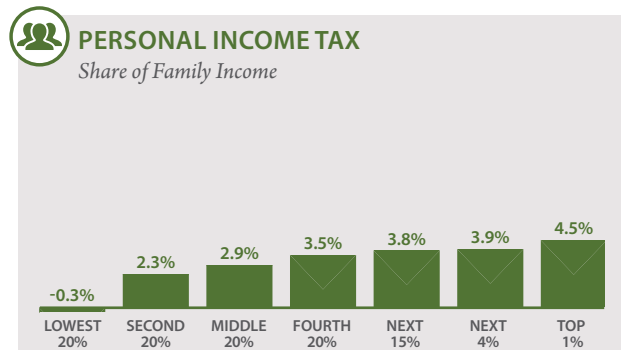
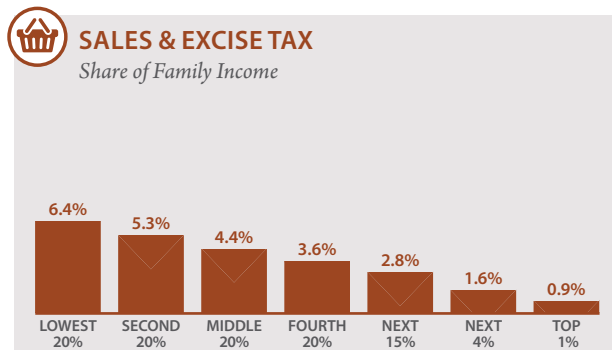
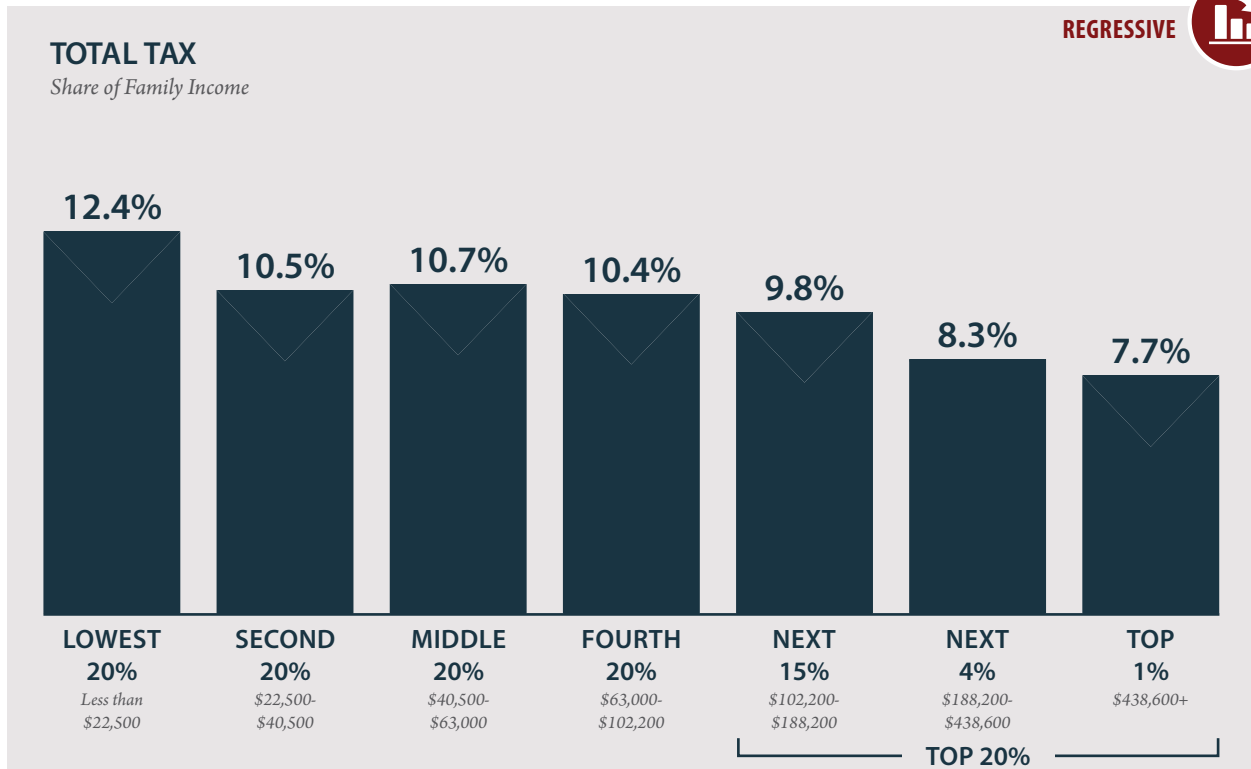


IOWA

STATE AND LOCAL TAX SHARES OF FAMILY INCOME for non-elderly taxpayers







NOTE:

Figures show permanent law in Iowa enacted through September 10, 2018 at 2015 income levels, which includes all rate cuts and deductions changes enacted in 2018 and phasing in through 2021 that are not subject to a revenue trigger. Top figure represents total state and local taxes as a share of income. The 6th edition of Who Pays does not include the impact of the federal deduction for state and local taxes (SALT) because policy changes in the 2017 federal Tax Cuts and Jobs Act temporarily limited the extent to which the SALT deduction functions as a generalized offset of state and local taxes.

IOWA State and Local Taxes (cont.)

TOTAL TAX

Share of Family Income

INCOME GROUP	TOP 20%						
	LOWEST 20%	SECOND 20%	MIDDLE 20%	FOURTH 20%	NEXT 15%	NEXT 4%	TOP 1%
INCOME RANGE	Less than \$22,500	\$22,500 to \$40,500	\$40,500 to \$63,000	\$63,000 to \$102,200	\$102,200 to \$188,200	\$188,200 to \$438,600	over \$438,600
AVERAGE INCOME IN GROUP	\$12,000	\$33,300	\$50,800	\$80,800	\$130,700	\$261,900	\$960,000
 SALES & EXCISE TAXES	6.4%	5.3%	4.4%	3.6%	2.8%	1.6%	0.9%
General Sales—Individuals	3.4%	3.1%	2.7%	2.3%	1.8%	1.1%	0.6%
Other Sales & Excise—Ind.	1.4%	0.9%	0.7%	0.5%	0.4%	0.2%	0.1%
Sales & Excise on Business	1.6%	1.4%	1.1%	0.9%	0.6%	0.4%	0.2%
 PROPERTY TAXES	6.3%	2.9%	3.4%	3.2%	3.2%	2.7%	2.1%
Home, Rent, Car—Individuals	6.1%	2.6%	3.1%	2.9%	2.9%	2.1%	0.6%
Other Property Taxes	0.2%	0.2%	0.2%	0.3%	0.3%	0.6%	1.5%
 INCOME TAXES	-0.3%	2.3%	2.9%	3.5%	3.8%	4.0%	4.7%
Personal Income Tax	-0.3%	2.3%	2.9%	3.5%	3.8%	3.9%	4.5%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
 TOTAL TAXES	12.4%	10.5%	10.7%	10.4%	9.8%	8.3%	7.7%

Individual figures may not sum to totals due to rounding.

ITEP TAX INEQUALITY INDEX

According to ITEP's Tax Inequality Index, which measures the impact of each state's tax system on income inequality, **Iowa has the 21st most unfair state and local tax system** in the country. Incomes are more unequal in Iowa after state and local taxes are collected than before. (See Appendix B for state-by-state rankings and the methodology section for additional detail on the index.)

TAX FEATURES DRIVING THE DATA IN IOWA



PROGRESSIVE TAX CODE FEATURES

- Graduated personal income tax structure
- Provides a refundable Earned Income Tax Credit (EITC)
- Provides a refundable dependent care tax credit
- Sales tax base excludes groceries
- Levies a state inheritance tax



REGRESSIVE TAX CODE FEATURES

- Provides an income tax deduction for federal income taxes paid
- Fails to provide a property tax "circuit breaker" credit for low-income, non-elderly taxpayers
- Fails to use combined reporting as part of its corporate income tax
- Personal income tax will be reduced and flattened if revenue triggers are met
- Allows income tax deduction for pass-through business income