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## Another Look at Iowa Income Taxes In Wake of Supreme Court Ruling, Tax Policy Subject of New Report

DES MOINES, Iowa (June 18, 2004) – Iowa income taxes could be made more fair and more simple if state legislators are inclined to seriously address tax policy, according to a new report.

Two days after an Iowa Supreme Court ruling that nullified income-tax changes sought by state legislators, the report from two nonpartisan policy groups offered several ideas for reforms.

“Iowa’s income tax can be improved substantially, from the point of view of fairness, simplicity and competitiveness,” said Charles Bruner, executive director of the Child & Family Policy Center (CFPC) in Des Moines and author of the report for the CFPC and the Iowa Policy Project (IPP). The groups cooperate on independent tax policy analysis in Iowa.

The report, “Rethinking Iowa’s Personal Income Tax: Tax Reform Based Upon Recognized Tax Principles,” presents a revenue-neutral income-tax alternative that includes three tax brackets and streamlines exemptions and deductions to make filing easier. It also corrects some recent changes that have resulted in lower-income people bearing a larger tax burden while wealthier people have received breaks.

“We offer this alternative simply to show that Iowa’s personal income tax system can and should be reformed,” Bruner said Friday. “Also, it’s important for policymakers to include basic elements or principles in any reform, and we do that here.”

Bruner released the report at a Des Moines news conference with David Osterberg, executive director of the IPP. Osterberg said Iowa’s tax system isn’t fair.

“What we have demonstrated clearly in our tax work in the last couple of years is that Iowa’s tax system isn’t fair, and it isn’t simple. Despite those faults, Iowa’s taxes also are not overly burdensome, but are average in the region and nation when they are examined comprehensively,” Osterberg said.

“Many politicians and some groups play on myths about Iowa taxes for political gain, but we think it’s important for the public to see the basic facts and fresh perspectives. Our report helps to do this – and it’s made for the public, not just policymakers.”

The Child & Family Policy Center was established in 1989 “to better link research and policy on issues vital to children and families.” CFPC is on the web at [www.cfpciowa.org](http://www.cfpciowa.org).

The Iowa Policy Project is a non-profit, non-partisan research organization based in Mount Vernon. IPP reports are available to the public, free of charge, on the web at [www.iowapolicyproject.org](http://www.iowapolicyproject.org).