
The Iowa Policy Project Child & Family Policy Center

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CONTACT: Mike Owen (319) 643-3628 ipp@lcom.net

Survey: Overwhelming Support to Fund Iowa Priorities Iowans in Survey See Unfair, Inadequate Tax System in State

DES MOINES, Iowa (March 8, 2004) – Across party lines and income groups, Iowa voters overwhelmingly view the state’s tax system as unfair and inadequate to fund priorities, and favor changes to address those concerns, according to a new survey.

Strong majorities favored raising taxes to increase funding or avoid cutbacks in funding for public schools, to protect children from abuse and neglect, to provide nursing-home and home-health care for seniors and the disabled, and health care for poor children.

“This survey demonstrates Iowans are not satisfied with the state and local tax system they have and want something to meet Iowans’ needs,” said Charles Bruner, executive director of the Child & Family Policy Center, which commissioned the survey with the Iowa Policy Project. “It reaffirms Iowans’ expectation of government support for low- and moderate-income children and families.”

The survey for the two nonpartisan groups was conducted by Selzer & Company in late February with 502 voters. The IPP and CFPC released the findings today at a news conference in the State Capitol.

“Voters showed they strongly support progressive tax policies that would halt Iowa’s trend of removing tax burdens from those with the most resources, and they would like to see an end to tax-avoidance schemes that our law currently allows,” said David Osterberg, executive director of the IPP.

The IPP and CFPC have worked together on several reports on Iowa tax issues in the past two years.

“It looks like the findings of our many reports are understood by a large majority of Iowans – especially that Iowa taxes treat the wealthiest taxpayers the best, and that there are corporate tax loopholes that need to be plugged,” Bruner said.

Key results of those expressing an opinion in the survey:

- Over two-thirds believed that Iowans making over \$200,000 a year, or big, multi-state corporations operating in Iowa, “benefited a lot” from tax cuts for individuals and businesses in Iowa in the last decade. Over half believed average-income Iowans – making \$30,000 to \$60,000 a year – “benefited a little” from the cuts, while over half believed those making \$20,000 or less “did not benefit at all.”

- More than six in 10 believed Iowans making over \$200,000 a year pay less in Iowa taxes than they should; over half said average-income working Iowans and small businesses pay about the right amount and low-income Iowans pay more than they should. Over a third said they believe Iowans at average incomes, and small businesses, pay more than they should.

- Over half of those expressing an opinion said a cigarette tax increase of 60 cents per pack, an increase in liquor, wine and beer taxes, and closing tax loopholes are good ways to raise revenue. Support for each of those moves grew to 80 percent or higher as an acceptable means to avoid cutbacks.

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■ Forty-five percent of those expressing an opinion considered a temporary income-tax increase on people with incomes over \$200,000 to be a “good way” to raise revenue, and 32 percent more considered it acceptable to avoid cutbacks.

■ Seven in 10 opposed overall 5 percent increases in either the income tax or property tax rates, either to raise revenue or avoid cutbacks.

■ An expansion of services to be subject to the sales tax was either good to raise revenue or acceptable if needed to avoid cuts to 65 percent, and unacceptable to 35 percent. Gov. Vilsack has proposed such a change.

■ Eliminating agricultural land property tax credits for non-farmers was either good to raise revenue or acceptable if needed to avoid cuts to 61 percent, and unacceptable to 39 percent.

The margin of error for the poll is 4.4 percent overall, but larger for subgroups of those interviewed.

A summary of the report, “Iowa Voters and Taxes: Strong Public Support for Selective Taxes to Maintain Services,” is available at www.iowapolicyproject.org.

The Child & Family Policy Center was established in 1989 “to better link research and policy on issues vital to children and families.” CFPC publications are on the web at www.cfpciowa.org.

The Iowa Policy Project, formed in 2000, is a non-profit, non-partisan research organization that engages scholars at Iowa’s public and private colleges and universities to research issues of importance to the citizens of Iowa. IPP reports are on the web at www.iowapolicyproject.org.

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For interviews or for more information, contact Mike Owen at (319) 643-3628 or ipp@Lcom.net, or Victor Elias at (515) 280-9027.