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NEWS RELEASE

Iowa Taxpayers Association: Department of Management Information is Inaccurate

ITA examination of the state budget confirms that a budget “gap” continues to exist and that property tax liabilities are increasing for both residential and commercial taxpayers despite Iowa Department of Management claim.

(Thursday, September 9, 2010) Des Moines - The **Iowa Taxpayers Association (ITA)**, the state's leading nonpartisan tax policy resource, disagrees with assertions made by Iowa Department of Management Director Richard Oshlo Jr., that Iowa is without a budget “deficit.” On September 5, 2010, Mr. Oshlo wrote an open letter contending that Iowa has a balanced budget and a surplus in excess of \$500 million for Fiscal Year 2011. Mr. Oshlo further contends that this good news was accomplished without raising taxes. ITA believes it is inaccurate to report to the Iowa taxpayer that the general fund is balanced without raising taxes, when property tax liabilities for businesses and homeowners have gone up over approximately \$545 million in the past fiscal year alone. [Click here for DOM letter.](#)

Iowa has a 99th percentile spending limitation so the books for FY 2010 will appear to be balanced. However, the ITA Committee on Accountable Government firmly believes that the funding of ongoing expenses from revenue sources that are non sustainable one-time or time-limited sources, diverting funds that are statutorily authorized for other purposes, and drastically shifting program funding for education to the counties by underfunding property tax credits (Homestead Tax Credit underfunded by 35.6% and Ag Land Tax Credit underfunded by 18.6%), is the wrong path for our state. We have an undermined “deficit” because we are not aligning revenue and expenses and that needs to be a state priority moving forward.

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