



NEWS RELEASE

IOWA TAXPAYERS ASSOCIATION

For Immediate Distribution

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ITA OPPOSES FEDERAL DEDUCTIBILITY PLAN

The **Iowa Taxpayers Association** (ITA), the state's leading nonpartisan business tax policy resource, opposes House Study Bill 284 because it would unfairly increase the tax liability on Subchapter S Corporations, Partnerships, Limited Liability Companies, and sole proprietors.

The business tax professionals of ITA have thoroughly examined the proposed legislation and believe that the intentional shifts in individual tax brackets would not render the legislation "revenue neutral" as purported; instead it would adversely affect the economic growth of small businesses in the state of Iowa.

ITA does support the elimination of corporate federal deductibility but only with a corresponding rate reduction that is fair and revenue neutral for each tax bracket. Elimination of federal deductibility for all taxpayers leads to a more simple and transparent tax system. Elimination of federal deductibility just for individual taxpayers causes continued confusion and is a disincentive to business investment in Iowa.

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