



FOR IMMEDIATE RELEASE

Iowa Taxpayers Association (ITA)

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Guiding Principles of Sound Tax Policy

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The Iowa Taxpayers Association (ITA) has established the Guiding Principles of Sound Tax Policy to assist legislators and regulators in undertaking tax reform or in making any changes to tax law.

Neutral

The tax system should exert minimal impact on the spending and decision-making of businesses and individuals.

Competitive

A sound tax structure should support our state's economic growth initiatives and help create a good business climate.

Fair

The tax code should be fair and equitable. Horizontal equity is achieved when similarly situated taxpayers are treated the same.

Simple

Tax law should clearly and plainly define what taxpayers must pay and when. Statutes and regulations should be transparent and encompass ease in understanding, compliance and administration.

Consistent

Iowans deserve consistency, certainty and predictability in the tax code. A stable, diversified tax structure helps achieve a more predictable revenue flow.

"The association is proud to release this set of Guiding Principles for Sound Tax Policy to guide tax law and regulation as it is being written," said President/CEO Tom Sands. "Guiding principles, working together as a team, balance and complement each other to make a fortress in establishing a strong foundation for sound tax policy."

"ITA is known for its eight Sound Budgeting Principles that many elected officials use to establish Iowa's budgeting process. Complementing these sound budgeting principles, ITA's Guiding Principles of Sound Tax policy now focus on the revenue side," said ITA board Chair Rich Pullen. "Iowa's tax systems all rely on more people to be in the state, whether it's shopping or residing, so we have to have policies that encourage people to be in Iowa from a revenue side. The more business you have, the more people."

Iowa Taxpayers Association supports tax reform that will encourage increased economic development and job growth. Iowa business taxpayers have the highest marginal corporate income tax rates in the nation and one of the highest individual marginal income tax rates. Tax law and administrative rules should not impede or reduce the productive capacity of the economy, nor should they result in competitive disadvantages for Iowa business taxpayers relative to similar taxpayers in other states, especially neighboring states.

To view the Guiding Principles of Sound Tax Policy visit www.iowataxpayers.org/en/publications.

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The Iowa Taxpayers Association is a business-sponsored tax policy organization founded in 1935. The ITA mission is to educate and inform Iowans about sound fiscal policy; provide state policymakers with objective, nonpartisan research about the impact of specific tax and spending policies; and advocate for the adoption of rational public fiscal policy as it relates to business and corporate taxes.