



Can Iowa's Tax Climate Become One of the Most Competitive in the Nation?

Report offers comprehensive examination of Iowa's tax structure's strengths and weaknesses, provides options for reform

Des Moines, IA – (May 5, 2016) Iowa has the potential to be one of the most competitive states for business in the U.S. Its dedicated and talented workforce provides a solid foundation for success. However, the state ranks 40th on the Tax Foundation's *State Business Tax Climate Index*, and the state's complex and uncompetitive tax code is holding Iowa back. With comprehensive reform, however, Iowa could improve its ranking by as much as 30 places, giving it one of the top 10 tax climates in the U.S.

To better understand how to improve Iowa's competitive standing, The Future of Iowa Foundation, sister organization to the Iowa Taxpayers Association, commissioned the Tax Foundation in Washington, D.C., to conduct an in-depth study of Iowa's current tax structure and provide options for reform.

The findings of this study are revealed in a new publication called *Iowa Tax Reform Options: Building a Tax System for the 21st Century*.

"Iowa's economy has been strong over the years with agriculture and manufacturing leading the way, but have we reached our potential? In this book, we examine Iowa's economy, detail the state's existing tax structure and offer recommendations for reforming the tax code. We seek to identify what Iowa does well and to point out opportunities for improvement." – Jeff Smith, president/CEO, Iowa Taxpayers Association

During six months of research and analysis, the Tax Foundation spoke with government officials, business leaders and everyday taxpayers from across the state to benefit from their insights and concerns. Combined with the Tax Foundation's own research and analysis, the result is a series of recommendations that address the specific needs of the Hawkeye State.

"Our goal with this project is to provide a menu of options that would improve Iowa's competitive standing through a commitment to simple, transparent, neutral and stable tax policies," said Tax Foundation Policy Analyst Jared Walczak. "Iowa's corporate, individual, sales and property tax systems are all in need of improvement, and we hope our recommendations provide policymakers with the background and insight needed to move the state forward."

This publication provides the research data that can pave the way to a simpler and fairer tax code for all Iowans. Iowa has a talented workforce and is positioned for growth. What we need is a better-structured tax code that can unleash our potential. The Future of Iowa Foundation believes that this book will provide the road map for Iowa's policymakers to move forward with meaningful tax reforms.

Full report: [*Iowa Tax Reform Options: Building a Tax System for the 21st Century*](#)

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The Future of Iowa Foundation commissioned the Tax Foundation to prepare this review of the Iowa tax system and recommend possible solutions, and this book is the result. While they supported the study, they did not direct any of our recommendations. The Tax Foundation offer their thanks to the many Iowans of all walks of life who met with them as they worked on this publication.

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The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels.

The Future of Iowa Foundation is a research and educational organization dedicated to improving the quality of life for the citizens of Iowa by advancing sensible, well-researched solutions to state and local policy issues.

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.

Question regarding the publication:

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