



FOR IMMEDIATE RELEASE — TUESDAY, JAN. 11, 2022

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CGI Statement: Tax-cut focus ‘disappointing, dangerous’

The following statement responding to Governor Kim Reynolds’ Condition of the State address is from Mike Owen, deputy director of Common Good Iowa.

“The Governor’s fervor for new tax cuts and some legislators’ goal of eliminating the state income tax are disappointing and dangerous. They threaten the short-term and long-term future of our state.

“Governor Reynolds’ plan for a flat income tax would intensify the unfairness and inequity already evident in Iowa’s tax system. Eliminating taxation of all retirement income also would be a bigger benefit at higher incomes. There is no reason to think these plans would bring more people to Iowa, but they would lessen our ability to pay for services for those who are here.

“We cannot afford new tax cuts and live up to our values and aspirations as a state. Despite talk of surpluses, official estimates project only 1.7 percent growth in revenues for the new budget year. That’s not enough with rising costs to fund services at existing levels. If lawmakers cut revenues further, the current budget surpluses — created largely by federal stimulus programs of the past two years — will be short lived. They cannot be used to fund perpetual tax cuts.

“Iowa used to take pride in its investment in schools. But the cost of continuous tax cuts is evident. Iowa per-pupil spending growth in PK-12 has been held below 2 percent on average for 11 years – forcing up property taxes in some districts with declining enrollment. Professional educators deserve respect and support from our State Capitol — not insults and inflammatory rhetoric. A new push to put taxpayer funds in private schools adds to the divisiveness, and harm to public schools.

“The real challenges in the workforce will not be met by imposing new penalties for people thrown out of work, but by making work pay. Progress on child-care assistance for a small number of families last session needs a strong follow-up to increase access to more families so they can afford to take jobs that, absent the aid, will not pay enough.

“Iowa has many other challenges to become a state offering opportunity to all, by giving families the support they need to raise their children, promoting a well-paid, safe workforce, and building our communities. Tax cuts, and new ways to say, ‘No,’ are not the answer.”

Common Good Iowa is a nonpartisan, nonprofit public policy research and advocacy organization formed in 2020 by the merger of the Child and Family Policy Center and Iowa Policy Project.

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