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Iowa's Legislature Faces Yet Another Tax and Spend Proposal

Governor Chet Culver releases taxpayer-unfriendly budget recommendations

WASHINGTON, D.C. –As Iowa's legislative session gets underway, Hawkeye taxpayers may need to take cover. One day after the legislature reconvened on January 14th, lawmakers were met with the governor's tax and spend budget plans.

Gov. Culver's plan calls for a 20% increase in spending over the next biennium. Beyond budget maneuvers designed to mask the appearance of increased government spending, the governor's plans include several tax increases, among them a \$70 million tax increase for corporations and a \$21 million tax hike through an increase in the beverage bottle deposit. Despite revenue growth of near 10% this year, Gov. Culver intends to raise taxes and fees by almost \$100 million dollars.

"Gov. Culver is displaying the tendencies of a serial tax hiker," said Grover Norquist, President of Americans for Tax Reform. "Last year he attempted to legislate morality through sin-taxes on cigarettes, and he's looking yet again to hit taxpayers where it hurts- in the wallet."

According to Americans for Tax Reform Foundation's 2007 Cost of Government Day report, Iowans worked until July 2nd to pay off their share of the total cost of government. The governor's proposals, if enacted, would worsen the state's ranking. The governor's newest assault on taxpayer wallets comes on the heels of last year's tobacco tax increase, which he rammed through the state legislature.

"Iowa taxpayers deserve better," Norquist continued. "Governing means making tough choices to stand up for taxpayers' best interests, and Gov. Culver's budget suggests that he is not willing to do that. In the face of impending state budget woes caused by government overspending, Gov. Culver should look to enact true spending reform while tightening the states' fiscal belt."

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact John Kartch at (202) 785-0266 or at jkartch@atr.org.