

TAX CREDITS

STATE GOVERNMENT IS PICKING WINNERS AND LOSERS

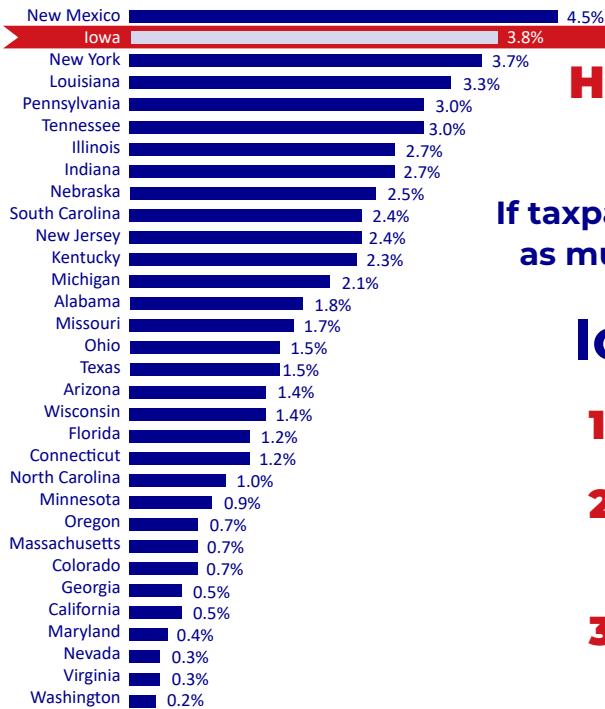


Iowa Has One of the Worst Business Climates in the Nation

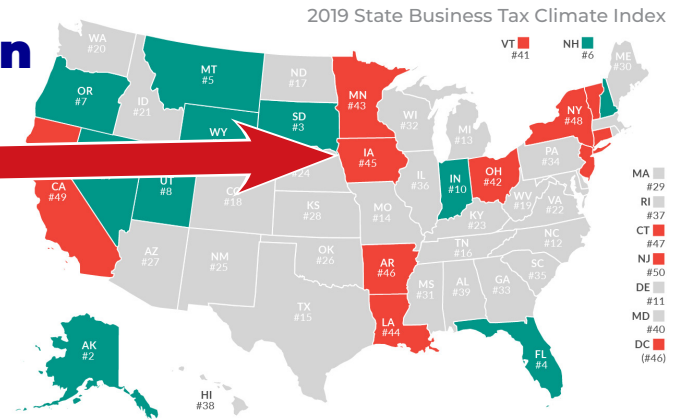
45th!

To make Iowa look better, state government uses tax incentives.

Average Annual State Tax Incentives 2013-2015
(Shown as % of value added by each state's industries)



2nd Highest



Note: A rank of 1 is best, 50 is worst. Rankings do not average to the total. States without a tax rank equal to 1. D.C.'s score and rank do not affect other states. The report shows tax systems as of July 1, 2018 (the beginning of Fiscal Year 2019).

Source: Tax Foundation

If taxpayers are asked to subsidize a business, they deserve as much information about the deal as any other investor.

Iowa needs:

1. More tax credit transparency.
2. Stronger review of economic impact of incentives.
3. Independent analysis before economic development deals are made.

Note: Data unavailable for states not shown
Source: NC State University; McDonald, Decker, Johnson and Allen (2019)

“The problem is, state grants and giveaways require redirecting money from other taxpayers and businesses.”

- Jon Sanders, John Locke Foundation



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