

# TAX RATES MATTER

Iowa's high tax rates make the state less competitive, deter economic growth, discourage entrepreneurship, and restrain population growth.

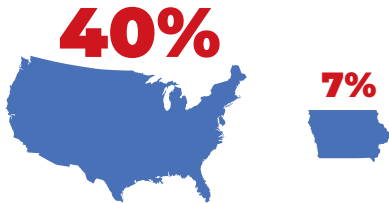
## Iowa's Top Individual Income Tax Rate

Current 8.53% - 8th Highest      2023 6.5% - 17th Highest

## Iowa's Top Corporate Income Tax Rate

Current 12% - Nation's Highest      2021 9.8% - 2nd Highest

### Population growth since 1980



### Out-migration of Iowans (2015-2016)



Florida, Texas, and South Dakota do not have state income tax.

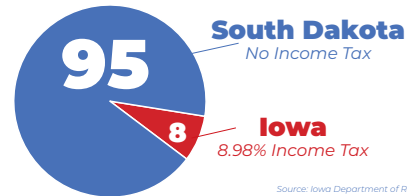
### Iowa's overall Business Tax Climate ranks

45th  
out of 50

Source: Tax Foundation

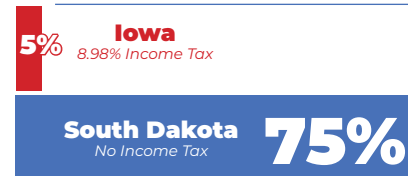
### Iowa Compared to South Dakota Border counties between 2006 to 2015

#### New Health Care Facilities



Source: Iowa Department of Revenue

#### Job Growth



Source: Iowa Department of Revenue

#### New Entrepreneur Growth

Per 100,000 adults, Statewide  
Iowa - 200      South Dakota - 310



## What could be done:

Speed up planned rate reductions, continue working toward a top individual income tax rate of 4 percent, and cut the top corporate income tax rate to 5 percent.



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9295 Bishop Dr., Suite 105, West Des Moines, Iowa 50266

