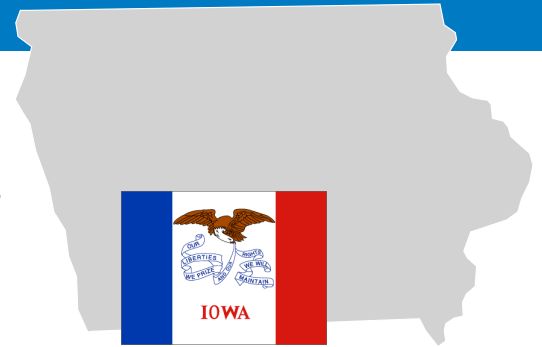


Tax Facts & Comparisons Iowa

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and Iowa is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how Iowa scores.



Tax Foundation Rankings of Iowa

State Business Tax Climate Index

41st
best

Iowa ranks 41st out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, Iowa ranked 40th.

Iowa's individual income tax ranks 32nd best, its corporate income tax ranks 49th best, its sales tax ranks 23rd best, its property tax ranks 38th best, and its unemployment insurance tax ranks 33rd best.

Neighboring states' ranks: Minnesota (47th), Wisconsin (43rd), Illinois (31st), Missouri (17th) Nebraska (29th) South Dakota (2nd)

State-Local Tax Burdens Rank

29th
highest

Estimated at 9.3% of income, Iowa's 2011 state-local tax burden ranks 29th highest nationally, below the national average of 9.8%. Iowa taxpayers pay \$3,740 per capita in state and local taxes.

Neighboring states' ranks: Minnesota (6th), Wisconsin (5th), Illinois (13th), Missouri (33rd) Nebraska (25th) South Dakota (48th)

Tax Freedom Day®

2015
April
16

In 2014, Iowa taxpayers worked 106 days into the year until April 16 to pay their total tax bill, ranking 18th highest nationally.

That's 8 days before national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

More at taxfoundation.org/publications

Iowa Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how Iowa structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

General Info		Rank	Nat. Avg.
Income per capita	\$40,147	27th	\$43,735
Federal aid as % of gen. revenue	32%	27th	32.8%
State debt per capita	\$5,920	40th	\$3,678

Individual Income Tax	
Number of brackets	9
Bottom income bracket rate	0.36%
Bottom bracket kick In	\$0
Top income tax rate	8.98%
Top bracket kick in	\$69,255
Collections per capita (2012)	\$1,019
Collections rank (2012)	20th

Property Tax	
Collections per capita (2012)	\$1,479
Collections rank (2012)	15th
Property taxes paid as share of owner-occupied housing value (2013)	1.49%
Property taxes paid percent rank (2013)	14th

Sources of State & Local Tax Collections

	Iowa	All States.
Property Tax	34%	32%
Sales Tax	24%	23%
Corporate Income Tax	3%	4%
Individual Income Tax	23%	22%
Other	17%	20%

Corporate Income Tax	
Number of brackets	4
Top corporate tax rate	12.00%
Collections per capita (2012)	\$139
Collections rank (2012)	19th

Sales Tax	
State rate	6.00%
State + average local rate	6.78%
State + average local rank	27th
Collections per capita (2011)	\$1,047
Collections rank (2011)	20th

Excise Taxes	Rate	Rank
Gasoline taxes and fees	22.0¢ per gallon	35th
Cigarette taxes	\$1.36 per pack	25th
Spirits taxes	\$12.49 per gallon	6th
Beer taxes	\$0.19 per gallon	31st
Cell phone taxes	8.61%	31st

Other Taxes	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	None	N/A
Inheritance tax	0% - 15%	Variable
Estate tax	None	N/A

About the Tax Foundation



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. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

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