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Dec. 2, 2009 www.iowafiscal.org

FOR IMMEDIATE RELEASE WEDNESDAY, DEC. 2, 2009 EDITORS, NEWS DIRECTORS NOTE: A copy of the survey paper is available at http://www.iowafiscal.org/2009docs/091202-IFP-survey-part1.pdf CONTACT: Mike Owen (319) 338-0773, ipp@Lcom.net.

Iowa Voters Want 'Everything on Table' in Budget Response

DES MOINES, Iowa (Dec. 2, 2009) — Iowa voters by wide margins want a balanced approach to resolving Iowa's budget crisis, with nearly six in 10 favoring some use of taxes and fees in the mix.

Voters also strongly demand more disclosure about business tax credits (82 percent) and favor personal income-tax reform along the lines of that proposed last spring by a nearly 2-1 ratio.

The findings come from a new survey commissioned by the nonpartisan Iowa Fiscal Partnership (IFP):

"This survey confirms that Iowa voters expect everything should be on the table in dealing with this current budget crisis," said Charles Bruner, executive director of the Child & Family Policy Center. "Voters understand the state budget includes both spending and revenues, and that we need to address both to meet our challenges.

"The expectations of voters are strong," Bruner said. "Voters want better accountability with so-called 'incentives' for high-income and corporate beneficiaries of tax breaks. And they want more fairness, or equity, for individuals particularly at low incomes after two decades of tax changes favoring the wealthiest and most well-connected."

The survey by Selzer and Associates sampled 500 Iowa voters — 31 percent Democratic, 29 percent Republican and 36 percent independent — from Nov. 11-15. The survey has a margin of error of plus or minus 4.4 percentage points.

Key results of the survey reported today by IFP:

■ More than eight in 10 voters — 83 percent — believe more steps will be necessary to balance the state budget, beyond the governor's 10 percent across-the-board budget cut.

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Key findings:

- lowa voters generally believe the wealthiest lowans and multistate corporations benefited most from tax cuts over the last 20 years;
- More than six in 10 lowa voters believe those same groups wealthy individuals and big companies do not pay their fair share of taxes in lowa; and
- By large margins, lowa voters believe small businesses, the working poor and middle-income lowans either pay too much or about the right amount in state taxes.

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- About six in 10 voters favor some increase in taxes and fees rather than cuts alone, with 51 percent favoring a combination of spending cuts and revenue increases, and 8 percent opting for raising taxes and fees as the best approach.
- Three-fourths of respondents believe big multistate corporations and Iowans making over \$250,000 a year benefited from tax cuts in the last 20 years. About six in 10 respondents believe big corporations and wealthy individuals pay too little in tax 61 percent held that view for Iowans making over \$250,000 a year, while 63 percent believe that is true for big corporations.
- By almost 4-to-1, voters believe that average-income working Iowans, the working poor and small businesses saw little or no benefit from tax cuts over the last 20 years. By 4-to-1 or more, these respondents believe that those taxpayers working families making \$80,000 or less, and small businesses pay either the right amount now or more than they should.

In the 2009 session, a tax-reform plan died in the Legislature before it was voted upon. A similar idea — ending federal deductibility, which now disproportionately favors high-income Iowans, and combined with lowering tax rates — drew strong support: 63 percent favoring, with 28 percent against and 9 percent not sure.

The Iowa Fiscal Partnership is a joint budget policy initiative of two nonpartisan, nonprofit, Iowa-based organizations, the Child & Family Policy Center in Des Moines and the Iowa Policy Project in Iowa City. IFP is on the web at www.iowafiscal.org.

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For more information about Iowa's state fiscal situation, see the <u>Iowa Fiscal Partnership</u> website: <u>www.iowafiscal.org</u>.