**Comment’s on HF2317**

Iowa’s income tax system already favors the wealthiest in Iowa while those Iowan’s with the lowest income pay a much larger percentage of their income in state and local taxes. Governor Reynold’s “flat tax” proposal makes this disparity even worse.

As I understand it, a single mom or retirees living on Social Security with an annual income of $20,000. They are in the bottom 20% of Iowans in terms of income and pay little or nothing in Iowa Income Tax which is fair given their limited income and disposable income. When sales tax and property tax (via rent in many cases) are factored in their total tax bill is 12%.

Governor Reynold’s “flat tax” proposal gives the low-income Iowans little or nothing. For the most disadvantaged Iowans, it becomes a tax increase. Meanwhile, the wealthy Iowans would see their income tax rates fall from 6.5% to 4.0% which is a 38% reduction. (Peter Finch, Des Moines Register)

So, we have low-income Iowans getting ZERO benefit, while the wealthy get a 38% reduction. ZERO vs.38%. How is that fair? Especially when you take into account the recent federal income tax cuts that also disproportionately benefit the wealthy.

According to the Department of Revenue [analysis of the governor’s proposal](https://www.legis.iowa.gov/docs/publications/LAGR/1285598.pdf), when fully phased in by 2027, less than 1% of the total tax cut is directed to the bottom fifth of Iowa income tax filers, whose average savings are less than a dollar per week. The richest 2.3% — those with over $250,000 in taxable income — would get almost 36% of the cuts. For the millionaires, the average cut is $68,000, or $1,316 a week. Two-thirds of the cuts go to those making over $100,000 per year — the richest 14% of Iowa taxpayers. (Iowa Department of Revenue)

Meanwhile, the state general fund will lose about $1.6 billion a year in revenue. Currently, Iowa does a dismal job of funding its public schools, affordable housing, child care, early childhood education, health care services, elderly services, clean water, and environmental protection. With this dramatic cut to state revenues, these services will be even more strangled which hurts our low-income and elderly citizens even more.

Governor Reynolds has an obligation to serve ALL Iowans, not just the rich. This tax is not really flat and it certainly is not fair. Our low-income and middle class Iowans deserve better than this. Please vote NO. Thank you.