
FISCAL UPDATE Article

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

ISSUE REVIEW PUBLISHED — 2016 FEDERAL INCOME TAX STATISTICS

Issue Review Published. An *Issue Review* providing analysis of federal individual income tax statistics for 2016 tax returns filed by Iowa taxpayers was published on February 1, 2019.

Iowa Population and Federal Income Tax Returns. Iowa represented 0.97% of the 2016 U.S. population, and Iowa residents filed 0.97% of all federal individual income tax returns for tax year 2016. Dependents claimed on Iowa tax returns represented 0.91% of all U.S. dependents. Iowa farm returns (returns with a federal Schedule F included) represented 4.31% of all federal returns with a Schedule F included.

Iowa Federal Income Tax. For tax year 2016, Iowans filed 1.45 million federal individual income tax returns and reported \$88.263 billion in gross income. As a group, Iowans paid \$9.853 billion in federal individual income tax. These figures resulted in an average tax rate of 11.2% of federal adjusted gross income (AGI). Of the 1.45 million federal individual income tax returns filed by Iowa residents, 33.2% paid, in aggregate, negative federal income tax, and 3.2% of the tax return population earned 22.4% of the gross income and paid 45.6% of all federal individual income tax paid by Iowans.

Iowa Income Comparisons. Summary statistics by state reported by the Internal Revenue Service (IRS) indicate that Iowa taxpayers generally have lower wage and salary income and lower other sources of income than the average U.S. taxpayer. As a result, Iowa taxpayers pay lower federal individual income taxes, both on a percent-of-AGI basis and on a per-return basis. Although there are a few exceptions, the same is true when comparing Iowa taxpayers to taxpayers in surrounding states.

Issue Review Link. The [2016 Federal Income Tax Statistics — Iowa Taxpayers Issue Review](#) contains further information on Iowa, surrounding states, and national individual income tax filings for 2016.

LSA Staff Contact: Jeff W. Robinson (515.281.4614) jeff.robinson@legis.iowa.gov

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