



Statehouse talks center on money

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By [O.Kay Henderson](#)

Folks at the statehouse are talking about your money. State Auditor Dave Vautt says the state budget Governor Chet Culver has drawn up takes some steps in the right direction. But Vautt warns the plan still would spend more money than the state will collect in taxes.

Democrats in the Iowa House and Senate, meanwhile, have drawn up their own rough outline of general state spending for next year. They're bragging that the state's so-called "rainy day" fund which was depleted a few years ago is now flush with cash.

Senate Democratic Leader Mike Gronstal of Council Bluffs says the state had to dip into that reserve fund to make it through the recession that hit right after 9/11. Fiscal 2002 and fiscal 2003 were the only two years in the history of the state of Iowa when...there was a decline in state (tax) revenues -- worse than the height of the Farm Crisis, worse than the Great Depression, worse than the Depression of 1890," Gronstal says.

A liberal think-tank from eastern Iowa has released a report that concludes the general tax burden on Iowans is "light" when compared to what residents in other states pay in taxes. Peter Fisher, research director for the Iowa Policy Project, analyzed newly-released data from the Census Bureau. "Finding that Iowa taxes, in fact, have fallen below the national average," Fisher says. In 1995, Iowa ranked 17th or 18th among the states in terms of the tax burden borne by Iowans, and Fisher says his analysis concludes Iowa's overall tax burden has declined so the state now ranks anywhere from 33rd to 35th.

"When you look at taxes overall, we're quite competitive," Fisher says. Republicans reject the analysis, pointing to other studies indicating Iowa's tax burden is much higher than Fisher indicates. And finally, Governor Culver signed a bill which increases the amount of tax money the state sends to Iowa's K-through-12 public schools. It means schools will get over 100-million more dollars for the academic year that begins in August of 2008.

Audio: Radio Iowa's O. Kay Henderson reports. :51 MP3



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