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The Grassley Bulletin - We Must Alleviate Iowans' Property Tax Pain

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To the People of House District 57

In just the last six years, we have done significant work to lower the tax burden on lowans. This last legislative session we lowered lowa's income tax rate to a flat 3.8% beginning in 2025, bringing a tax cut to all taxpaying lowans.

We have focused heavily on the income tax because, from the state's perspective, it is the easiest tax for us to influence. Things get trickier when we shift to discussions on property taxes. The reason for this is because there are so many taxing entities that contribute to property taxes at the local level. It's a lot harder to reach a resolution on a path forward. However, with property taxes being the tax we hear about the most from lowans, this has not stopped us from trying.

During the 2023 Session, we passed roughly \$100 million in property tax relief. We also brought new transparency requirements that you probably noticed came with your bill this year so that you can see where your money is going. House Republicans fought hard to get that provision included in the final bill. You can read all about those reforms HERE in a previous Grassley Bulletin. Despite this work, Iowans are still feeling the pain of high property tax increases.

Recently, Iowans for Tax Relief published their County Property Tax Pain Index. ITR

Foundation compiled the year-over-year changes in property tax revenue and population for each of lowa's 99 counties. Five counties inflicted "Unspeakable Pain", meaning they increased their property tax revenue by more than 20%. Another 25 counties levied Excruciating Pain (+9-20%); 20 caused Severe Pain (+6-9%). This is without factoring in the additional tax burden brought by cities and school districts. I know constituents in House District 57 are feeling this pain because I hear frequently from so many of you about this issue.

When we return for the 2025 Legislative Session, property tax relief must be made a priority again. In 2023, House Republicans passed a bill that, if it had become law, would have significantly impacted this issue. We made this bill House File 1 because it was a top priority for our caucus.

One piece of this bill that I would like to revisit this upcoming session would have capped the property tax increases per parcel at 3% for residential and agricultural properties and 8% for commercial and industrial properties. This would limit how much more you could pay each year and would allow lowans to plan for the future. Right now, lowa families are opening up their property tax bill to see a drastic increase in their payment. This can make it really hard to make ends meet.

This change would give certainty to the taxpayer. That's who should be at the forefront of this conversation - the taxpayer. The hard truth is that yes, this change to the system would be harder on local governments. It would force all of the taxing entities to come together to make decisions with the taxpayer in mind, rather than operating in a silo with the taxpayer footing the bill.

Many discussions are to come on the details of such a proposal. But I believe this part of House File 1 represents a good place for us to start. It's clear that property tax relief must be made a top priority again so that we can alleviate some of this "unspeakable pain" being inflicted on lowans.

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