



Laura Belin <desmoinesdem@bleedingheartland.com>

document from Iowa DOR to Pam Dugdale

Laura Belin <desmoinesdem@bleedingheartland.com>

Mon, Feb 26, 2018 at 1:40 PM

To: "Fuller, John" <john.fuller@iowa.gov>

Hello John,

I never did hear back from you on this question.

If Amy Harris or anyone else from the Department of Revenue has an explanation for this "estimated excess growth" number and what it represents, I would be grateful.

Thanks,

Laura

----- Forwarded message -----

From: **Laura Belin** <desmoinesdem@bleedingheartland.com>

Date: Tue, Dec 19, 2017 at 9:45 AM

Subject: Re: document from Iowa DOR to Pam Dugdale

To: "Fuller, John" <john.fuller@iowa.gov>

Hello John,

I thought of another question.

Near the bottom of Table 24, there is a line with "Estimated Excess Growth" numbers. Nothing in the memo explains those estimates. They seem to suggest that economic growth will offset much of the cost of the tax reductions.

That has not been the case in other states that deeply cut taxes, such as Kansas or Louisiana. Recent documents produced by the Congressional Joint Committee on Taxation have challenged claims that proposed federal tax cuts would produce strong enough economic growth to compensate for the lost revenue from the various tax reductions.

Please share the Department of Revenue's detailed assumptions and justifications for projecting in Table 24 that "Estimated Excess Growth" would produce hundreds of millions of dollars in additional state revenue, beginning in 2021. My understanding is that such calculations have not typically been part of DOR analysis of tax proposals.

Thanks in advance,

Laura

On Mon, Dec 18, 2017 at 4:13 PM, Laura Belin <desmoinesdem@bleedingheartland.com> wrote:

| Thanks, John. A couple more questions.

1. The last section of Table 23

"presents additional base expansions [for the sales tax] that are possible but not currently recommended. The list includes consumer purchases that might be difficult to administer, undesirable to tax, or ones that no other state currently taxes."

Does that mean someone encouraged DOR to look at those base expansions, but DOR does not recommend them? Or did DOR staff include those possibilities to highlight that lots of services currently exempt from sales tax should remain exempt?

The first time I read the document, I was confused, because I could not tell whether someone was actually proposing expanding the sales tax to apply to accounting service, funeral home services, etc.

2. Who proposed the October 20, 2017 version of this plan? The document refers to "the tax reform plan prepared for the Governor's Office," but it is not clear whether this set of ideas originally came from the Iowa Senate GOP caucus or the Governor's Office.

Thanks,

Laura

On Mon, Dec 18, 2017 at 3:34 PM, Fuller, John <john.fuller@iowa.gov> wrote:

Hi Laura,

Attached is the document that was sent from the Department of Revenue to Pam Dugdale. I have attached it here as a PDF, but it was sent to Ms. Dugdale as a word document.

If you have additional questions, please let me know.

Thanks,
John

On Sun, Dec 17, 2017 at 11:44 PM, Laura Belin <desmoinesdem@bleedingheartland.com> wrote:

Dear John,

I realized that the document I published on Friday is a Word file last modified by Senator Randy Feenstra on December 8 (see attached). My impression is that the Iowa Department of Revenue does not typically provide this kind of analysis to the legislative branch in the form of an editable Word document.

Can you please e-mail me a copy of the original communication from DOR to Pam Dugdale regarding this particular plan? I would like to confirm that the analysis was not altered in any way.

Thank you in advance.

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