

**Table 1. Estimated Fiscal Impact of Income Tax Credit Changes in HF 2489 with Proposed Amendment**

	Millions						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
School Tuition Organization Tax Credit	\$0.00	\$0.00	-\$0.71	-\$0.89	-\$0.93	-\$0.95	-\$0.95
Solar Energy System Tax Credit	\$0.00	\$0.00	\$1.28	\$2.91	\$3.53	\$1.36	\$0.47
Venture Capital Tax Credit - Innovation Fund	\$0.00	\$0.00	\$0.00	-\$0.03	-\$0.98	-\$1.73	-\$2.17
Geothermal Heat Pump Tax Credit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Geothermal Tax Credit	\$0.00	\$0.00	\$1.62	\$2.17	\$2.41	\$2.52	\$2.52
Research Activities Tax Credit	\$0.61	\$4.49	\$7.15	\$7.47	\$7.76	\$8.07	\$8.39
Targeted Jobs Tax Credit from Withholding	\$0.00	-\$0.03	-\$0.24	-\$0.24	-\$0.24	-\$0.24	-\$0.24
<b>TOTAL OF ALL PROGRAMS</b>	<b>\$0.61</b>	<b>\$4.46</b>	<b>\$9.10</b>	<b>\$11.38</b>	<b>\$11.55</b>	<b>\$9.04</b>	<b>\$8.02</b>

*Tax Research and Program Analysis Section, Iowa Department of Revenue*

Note: Estimated largely using the same methodologies noted in the March 2018 Contingent Liabilities Report

**Table 2. Tax Year 2018 Current Law and Proposed Law Tax Parameters**

	<u>Current Law</u>	<u>Proposed Law</u>	<b>Tax Brackets and Rates</b>			
Federal Tax Deduction	Unlimited	No change				
Personal/Dependent/Aged Credits	\$40/40/20	No change				
Minimum Filing Thresholds	\$9.0/\$13.5 K	No change				
Elderly Minimum Filing Thresholds	\$24/\$32 K	No change				
Itemized/Standard Deduction	\$2,030/\$5,000	No change				
Social Security Income	100% exclusion	No change				
Pension/Other Retirement Exclusion	\$6/\$12 K	No change				
Iowa Capital Gains Deduction	Unlimited	No change				
Alternate Tax Threshold	\$13.5 K/\$32 K	No change				
Alternate Tax Rate	8.98%	No change				
Iowa Earned Income Tax Credit	Refundable 15%	Coupling				
Section 179 Cap and Investment Limit	\$25K/\$200K	\$70K/\$280K				
Iowa 529 Plans	Not Allowed for K-12	Allowed for K-12				
			Over	But Not Over	Current Rates	Proposed Rates
			[1] \$0	\$1,598	0.36%	No change
			[2] \$1,598	\$3,196	0.72%	No change
			[3] \$3,196	\$6,392	2.43%	No change
			[4] \$6,392	\$14,382	4.50%	No change
			[5] \$14,382	\$23,970	6.12%	No change
			[6] \$23,970	\$31,960	6.48%	No change
			[7] \$31,960	\$47,940	6.80%	No change
			[8] \$47,940	\$71,910	7.92%	No change
			[9] \$71,910	or more	8.98%	No change

Proposal includes additional coupling as noted in the text.

**Table 3. Estimated Change in Individual Income Tax Liability By Adjusted Gross Income Level Under HF 2489 with Proposed Amendment**

Estimates for Tax Year 2018

All Filers

Adjusted Gross Income	Returns Number	Total AGI	Total Tax Liability		Change in Tax Liability		
			Current	Proposed	Total	Average <sup>a</sup>	Percentage
<b>Current Law</b>	<b>Current</b>	<b>Current</b>	<b>Current</b>	<b>Proposed</b>	<b>Total</b>	<b>Average<sup>a</sup></b>	<b>Percentage</b>
<b>\$10,000 or less</b>	267,915	-\$3,807,560,658	-\$9,982,971	-\$10,190,071	-\$207,100	-\$1	-2.1%
<b>\$10,001 to 20,000</b>	205,914	3,056,072,513	8,313,669	7,907,044	-406,625	-2	-4.9%
<b>\$20,001 to 30,000</b>	188,023	4,678,850,841	86,601,160	85,987,964	-613,196	-3	-0.7%
<b>\$30,001 to 40,000</b>	167,158	5,804,823,810	163,676,513	162,559,657	-1,116,856	-7	-0.7%
<b>\$40,001 to 50,000</b>	134,283	5,981,747,240	196,601,244	195,361,755	-1,239,489	-9	-0.6%
<b>\$50,001 to 60,000</b>	103,835	5,654,579,308	195,017,557	194,043,210	-974,347	-9	-0.5%
<b>\$60,001 to 70,000</b>	84,754	5,457,003,120	192,997,670	192,027,958	-969,712	-11	-0.5%
<b>\$70,001 to 80,000</b>	72,177	5,366,047,042	194,786,266	193,688,532	-1,097,734	-15	-0.6%
<b>\$80,001 to 90,000</b>	62,321	5,256,034,257	196,415,720	195,233,699	-1,182,021	-19	-0.6%
<b>\$90,001 to 100,000</b>	52,557	4,959,564,464	189,901,718	188,575,952	-1,325,766	-25	-0.7%
<b>\$100,001 to 125,000</b>	96,534	10,728,538,585	421,061,932	417,672,844	-3,389,088	-35	-0.8%
<b>\$125,001 to 150,000</b>	56,140	7,645,596,295	306,908,814	303,493,569	-3,415,245	-61	-1.1%
<b>\$150,001 to 175,000</b>	33,899	5,466,997,426	221,697,431	218,318,819	-3,378,612	-100	-1.5%
<b>\$175,001 to 200,000</b>	21,235	3,953,280,043	160,615,938	157,808,488	-2,807,450	-132	-1.7%
<b>\$200,001 to 250,000</b>	23,823	5,280,492,234	216,977,211	212,902,894	-4,074,317	-171	-1.9%
<b>\$250,001 to 500,000</b>	32,893	11,054,542,992	457,609,774	447,719,148	-9,890,626	-301	-2.2%
<b>\$500,001 to 1,000,000</b>	12,015	8,209,329,471	272,385,967	267,674,139	-4,711,828	-392	-1.7%
<b>\$1,000,001 or more</b>	9,088	74,748,272,913	390,949,204	387,732,816	-3,216,388	-354	-0.8%
<b>Composite Returns</b>	3,123	790,140,964	51,544,332	51,544,332	0	0	0.0%
<b>Totals</b>	<b>1,627,690</b>	<b>\$170,284,352,860</b>	<b>\$3,914,079,149</b>	<b>\$3,870,062,749</b>	<b>-\$44,016,400</b>	<b>-\$27</b>	<b>-1.1%</b>

**Analysis Using Individual Return Data from Tax Year 2016**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.

Note: The 2017 federal law change is reflected in the baseline.

**Table 3A. Estimated Change in Individual Income Tax Liability By Adjusted Gross Income Level Under HF 2489 with Proposed Amendment**

Estimates for Tax Year 2018

Resident Filers								
Adjusted Gross Income	Returns	Total AGI	Total Tax Liability		Change in Tax Liability			
			Current	Proposed	Total	Average <sup>a</sup>	Percentage	
Current Law	Current	Current	Current	Proposed	Total	Average <sup>a</sup>	Percentage	
\$10,000 or less	246,611	-\$1,086,016,164	-\$9,562,217	-\$9,763,246	-\$201,029	-\$1	-2.1%	
\$10,001 to 20,000	188,533	2,798,382,583	7,982,152	7,587,417	-394,735	-2	-4.9%	
\$20,001 to 30,000	172,239	4,285,446,698	83,846,889	83,252,850	-594,039	-3	-0.7%	
\$30,001 to 40,000	152,822	5,306,119,047	158,334,948	157,257,342	-1,077,606	-7	-0.7%	
\$40,001 to 50,000	121,824	5,425,748,498	190,241,037	189,034,530	-1,206,507	-10	-0.6%	
\$50,001 to 60,000	92,924	5,058,501,113	188,293,525	187,337,101	-956,424	-10	-0.5%	
\$60,001 to 70,000	75,115	4,835,142,023	186,213,000	185,259,339	-953,661	-13	-0.5%	
\$70,001 to 80,000	63,549	4,723,635,245	187,748,246	186,678,472	-1,069,774	-17	-0.6%	
\$80,001 to 90,000	54,629	4,607,042,203	189,304,932	188,148,642	-1,156,290	-21	-0.6%	
\$90,001 to 100,000	46,065	4,347,087,493	183,271,291	181,965,949	-1,305,342	-28	-0.7%	
\$100,001 to 125,000	83,853	9,319,251,911	406,461,304	403,161,384	-3,299,920	-39	-0.8%	
\$125,001 to 150,000	47,655	6,491,982,995	295,008,480	291,653,886	-3,354,594	-70	-1.1%	
\$150,001 to 175,000	27,985	4,512,666,561	212,452,316	209,129,024	-3,323,292	-119	-1.6%	
\$175,001 to 200,000	16,995	3,165,673,557	153,881,318	151,140,126	-2,741,192	-161	-1.8%	
\$200,001 to 250,000	18,268	4,048,163,132	206,857,146	202,890,054	-3,967,092	-217	-1.9%	
\$250,001 to 500,000	22,557	7,484,059,256	431,107,393	421,569,086	-9,538,307	-423	-2.2%	
\$500,001 to 1,000,000	6,264	4,211,426,829	248,380,906	243,990,868	-4,390,038	-701	-1.8%	
\$1,000,001 or more	2,514	6,067,707,542	313,373,157	310,532,508	-2,840,649	-1,130	-0.9%	
<b>Resident Total</b>	<b>1,440,402</b>	<b>\$85,602,020,521</b>	<b>\$3,633,195,823</b>	<b>\$3,590,825,332</b>	<b>-\$42,370,491</b>	<b>-\$29</b>	<b>-1.2%</b>	
<b>Non-Residents Total</b>	<b>187,288</b>	<b>\$84,682,332,339</b>	<b>\$280,883,326</b>	<b>\$279,237,417</b>	<b>-\$1,645,909</b>	<b>-\$9</b>	<b>-0.6%</b>	
<b>All Tax Filers Total</b>	<b>1,627,690</b>	<b>\$170,284,352,860</b>	<b>\$3,914,079,149</b>	<b>\$3,870,062,749</b>	<b>-\$44,016,400</b>	<b>-\$27</b>	<b>-1.1%</b>	

**Analysis Using Individual Return Data from Tax Year 2016**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.

Note: The 2017 federal law change is reflected in the baseline.

**Table 4. Estimated Distribution of Taxpayers Experiencing Decreases and Increases in Total Tax Liability HF 2489 with Proposed Amendment**

Estimates for Tax Year 2018

All Filers Adjusted Gross Income Current Law	Share of Returns by Estimated Change in Tax Liability <sup>a</sup>			Estimated Change in State Income Tax and School Surtax Liability			
	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
				Total	Average	Total	Average
\$10,000 or less	98.3%	1.7%	0.0%	-\$208,790	-\$46	\$1,615	\$147
\$10,001 to 20,000	96.5%	3.5%	0.0%	-409,713	-56	349	27
\$20,001 to 30,000	95.0%	5.0%	0.0%	-625,289	-66	1,193	35
\$30,001 to 40,000	91.4%	8.5%	0.0%	-1,140,904	-80	1,971	46
\$40,001 to 50,000	89.2%	10.8%	0.0%	-1,273,045	-88	840	32
\$50,001 to 60,000	94.0%	6.0%	0.0%	-1,016,331	-162	113	19
\$60,001 to 70,000	95.7%	4.3%	0.0%	-1,020,082	-280	0	0
\$70,001 to 80,000	95.1%	4.9%	0.0%	-1,150,874	-323	0	0
\$80,001 to 90,000	94.1%	5.9%	0.0%	-1,240,271	-335	0	0
\$90,001 to 100,000	92.6%	7.4%	0.0%	-1,392,194	-360	0	0
\$100,001 to 125,000	90.5%	9.5%	0.0%	-3,555,910	-388	106	106
\$125,001 to 150,000	88.5%	11.5%	0.0%	-3,583,880	-557	0	0
\$150,001 to 175,000	86.3%	13.7%	0.0%	-3,537,022	-760	290	290
\$175,001 to 200,000	86.3%	13.7%	0.0%	-2,930,219	-1,006	95	48
\$200,001 to 250,000	86.1%	13.9%	0.0%	-4,251,103	-1,281	758	190
\$250,001 to 500,000	83.6%	16.4%	0.0%	-10,288,518	-1,912	1,457	208
\$500,001 to 1,000,000	79.3%	20.7%	0.0%	-4,863,364	-1,956	303	303
\$1,000,001 or more	78.1%	21.9%	0.0%	-3,298,780	-1,656	0	0
Composite Returns	100.0%	0.0%	0.0%	0	0	0	0
<b>Totals</b>	<b>93.4%</b>	<b>6.6%</b>	<b>0.0%</b>	<b>-\$45,786,289</b>	<b>-\$427</b>	<b>\$9,090</b>	<b>\$61</b>

Analysis Using Individual Return Data from Tax Year 2016

Tax Research and Program Analysis Section, Iowa Department of Revenue

a. Share of Returns by Estimated Change in Tax Liability may not equal 100% due to rounding.

Note: The 2017 federal law change is reflected in the baseline.

**Table 4A. Estimated Distribution of Taxpayers Experiencing Decreases and Increases in Total Tax Liability HF 2489 with Proposed Amendment**

Estimates for Tax Year 2018

Resident Filers Adjusted Gross Income Current Law	Share of Returns by Estimated Change in Tax Liability <sup>a</sup>			Estimated Change in State Income Tax and School Surtax Liability			
	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
				Total	Average	Total	Average
\$10,000 or less	98.3%	1.7%	0.0%	-\$202,131	-\$47	\$1,027	\$171
\$10,001 to 20,000	96.4%	3.6%	0.0%	-397,823	-58	349	27
\$20,001 to 30,000	94.9%	5.0%	0.0%	-605,927	-70	988	45
\$30,001 to 40,000	91.4%	8.6%	0.0%	-1,101,246	-84	1,563	47
\$40,001 to 50,000	89.0%	11.0%	0.0%	-1,240,026	-93	803	38
\$50,001 to 60,000	93.7%	6.3%	0.0%	-998,374	-170	79	16
\$60,001 to 70,000	95.4%	4.6%	0.0%	-1,004,031	-290	0	0
\$70,001 to 80,000	94.7%	5.3%	0.0%	-1,122,914	-332	0	0
\$80,001 to 90,000	93.6%	6.4%	0.0%	-1,214,540	-348	0	0
\$90,001 to 100,000	92.1%	7.9%	0.0%	-1,371,770	-375	0	0
\$100,001 to 125,000	89.7%	10.3%	0.0%	-3,466,636	-402	0	0
\$125,001 to 150,000	87.4%	12.6%	0.0%	-3,523,229	-586	0	0
\$150,001 to 175,000	84.5%	15.5%	0.0%	-3,481,412	-803	0	0
\$175,001 to 200,000	84.4%	15.6%	0.0%	-2,863,866	-1,081	0	0
\$200,001 to 250,000	83.8%	16.2%	0.0%	-4,143,396	-1,397	276	276
\$250,001 to 500,000	79.9%	20.1%	0.0%	-9,934,742	-2,190	0	0
\$500,001 to 1,000,000	72.8%	27.2%	0.0%	-4,541,271	-2,668	0	0
\$1,000,001 or more	61.2%	38.8%	0.0%	-2,923,041	-2,992	0	0
<b>Resident Total</b>	<b>93.2%</b>	<b>6.8%</b>	<b>0.0%</b>	<b>-\$44,136,375</b>	<b>-\$450</b>	<b>\$5,085</b>	<b>\$50</b>
<b>Non-Residents Total</b>	<b>95.0%</b>	<b>4.9%</b>	<b>0.0%</b>	<b>-\$1,649,914</b>	<b>-\$179</b>	<b>\$4,005</b>	<b>\$85</b>
<b>All Tax Filers Total</b>	<b>93.4%</b>	<b>6.6%</b>	<b>0.0%</b>	<b>-\$45,786,289</b>	<b>-\$427</b>	<b>\$9,090</b>	<b>\$61</b>

**Analysis Using Individual Return Data from Tax Year 2016**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. Share of Returns by Estimated Change in Tax Liability may not equal 100% due to rounding.

Note: The 2017 federal law change is reflected in the baseline.

**Table 5. Tax Year 2019 Current Law and Proposed Law Tax Parameters**

	<i>Current Law</i>	<i>Proposed Law</i>
<b>Federal Tax Deduction</b>	Unlimited	No change
<b>Personal/Dependent/Aged Credits</b>	\$40/40/20	No change
<b>Minimum Filing Thresholds</b>	\$9.0/\$13.5 K	No change
<b>Elderly Minimum Filing Thresholds</b>	\$24/\$32 K	No change
<b>Itemized/Standard Deduction</b>	\$2,070/\$5,090	Itemized coupling
<b>Social Security Income</b>	100% exclusion	No change
<b>Pension/Other Retirement Exclusion</b>	\$6/\$12 K	No change
<b>Iowa Capital Gains Deduction</b>	Unlimited	No change
<b>Alternate Tax Threshold</b>	\$13.5 K/\$32 K elderly	No change
<b>Alternate Tax Rate</b>	8.98%	8.53%
<b>Iowa Earned Income Tax Credit</b>	Refundable 15%	Coupling
<b>AMT and Tax Credit</b>	Allowed	No change
<b>Section 179 Cap and Investment Limit</b>	\$25K/\$200K	\$100K/\$400K
<b>Iowa 529 Plans</b>	Not Allowed for K-12	Allowed for K-12
<b>Qualified Business Income deduction</b>	Not allowed	Allowed 25%

*Tax Brackets and Rates*

	<i>Over</i>	<i>But Not Over</i>	<i>Current Rates</i>	<i>Proposed Rates</i>
[1]	\$0	\$1,628	0.36%	0.33%
[2]	\$1,628	\$3,256	0.72%	0.67%
[3]	\$3,256	\$6,512	2.43%	2.25%
[4]	\$6,512	\$14,652	4.50%	4.14%
[5]	\$14,652	\$24,420	6.12%	5.63%
[6]	\$24,420	\$32,560	6.48%	5.96%
[7]	\$32,560	\$48,840	6.80%	6.25%
[8]	\$48,840	\$73,260	7.92%	7.44%
[9]	\$73,260	or more	8.98%	8.53%

Proposal includes additional coupling as noted in the text.

**Table 6. Estimated Change in Individual Income Tax Liability By Adjusted Gross Income Level Under HF 2489 with Proposed Amendment**

*Estimates for Tax Year 2019*

All Filers

Adjusted Gross Income Current Law	Returns Number Current	Total AGI Current	Total Tax Liability		Change in Tax Liability		
			Current	Proposed	Total	Average <sup>a</sup>	Percentag
<b>\$10,000 or less</b>	263,864	-\$4,098,009,446	-\$9,895,566	-\$10,186,296	-\$290,730	-\$1	-2.9%
<b>\$10,001 to 20,000</b>	202,321	3,000,031,243	7,595,192	4,164,908	-3,430,284	-17	-45.2%
<b>\$20,001 to 30,000</b>	184,463	4,584,288,008	83,288,579	74,072,218	-9,216,361	-50	-11.1%
<b>\$30,001 to 40,000</b>	166,630	5,777,466,551	161,883,069	147,521,330	-14,361,739	-86	-8.9%
<b>\$40,001 to 50,000</b>	136,492	6,068,290,365	200,820,130	184,980,544	-15,839,586	-116	-7.9%
<b>\$50,001 to 60,000</b>	105,519	5,729,398,954	199,564,601	185,007,416	-14,557,185	-138	-7.3%
<b>\$60,001 to 70,000</b>	86,117	5,523,996,205	197,678,513	183,755,347	-13,923,166	-162	-7.0%
<b>\$70,001 to 80,000</b>	72,860	5,393,940,763	197,919,936	184,145,980	-13,773,956	-189	-7.0%
<b>\$80,001 to 90,000</b>	63,380	5,323,145,865	200,915,677	186,667,700	-14,247,977	-225	-7.1%
<b>\$90,001 to 100,000</b>	53,988	5,073,194,509	195,741,378	181,872,247	-13,869,131	-257	-7.1%
<b>\$100,001 to 125,000</b>	100,406	11,129,316,777	441,131,797	409,626,701	-31,505,096	-314	-7.1%
<b>\$125,001 to 150,000</b>	59,840	8,130,911,931	330,289,142	305,997,490	-24,291,652	-406	-7.4%
<b>\$150,001 to 175,000</b>	36,189	5,825,780,897	238,090,649	220,284,964	-17,805,685	-492	-7.5%
<b>\$175,001 to 200,000</b>	22,768	4,229,139,504	171,670,020	158,228,517	-13,441,503	-590	-7.8%
<b>\$200,001 to 250,000</b>	25,492	5,640,605,267	231,537,312	212,532,952	-19,004,360	-746	-8.2%
<b>\$250,001 to 500,000</b>	34,448	11,546,136,746	477,541,044	411,660,551	-65,880,493	-1,912	-13.8%
<b>\$500,001 to 1,000,000</b>	12,434	8,475,659,522	283,211,720	236,432,015	-46,779,705	-3,762	-16.5%
<b>\$1,000,001 or more</b>	9,407	79,006,451,652	409,559,797	347,339,754	-62,220,043	-6,614	-15.2%
<b>Composite Returns</b>	3,123	807,100,989	52,597,680	48,310,466	-4,287,214	-1,373	-8.2%
<b>Totals</b>	<b>1,639,741</b>	<b>\$177,166,846,301</b>	<b>\$4,071,140,670</b>	<b>\$3,672,414,804</b>	<b>-\$398,725,866</b>	<b>-\$243</b>	<b>-9.8%</b>

**Analysis Using Individual Return Data from Tax Year 2016**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.

Note: The 2017 federal law change is reflected in the baseline.



**Table 6A. Estimated Change in Individual Income Tax Liability By Adjusted Gross Income Level Under HF 2489 with Proposed Amendment**

Estimates for Tax Year 2019

Resident Filers Adjusted Gross Income	Returns Current	Total AGI Current	Total Tax Liability		Change in Tax Liability		
			Current	Proposed	Total	Average <sup>a</sup>	Percentage
<b>\$10,000 or less</b>	243,015	-\$1,337,487,793	-\$9,467,688	-\$9,772,123	-\$304,435	-\$1	-3.2%
<b>\$10,001 to 20,000</b>	185,324	2,748,251,010	7,296,215	3,976,649	-3,319,566	-18	-45.5%
<b>\$20,001 to 30,000</b>	168,954	4,198,131,696	80,614,382	71,659,312	-8,955,070	-53	-11.1%
<b>\$30,001 to 40,000</b>	152,393	5,282,836,078	156,540,459	142,580,202	-13,960,257	-92	-8.9%
<b>\$40,001 to 50,000</b>	123,931	5,508,567,304	194,241,630	178,691,634	-15,549,996	-125	-8.0%
<b>\$50,001 to 60,000</b>	94,591	5,133,522,192	192,708,419	178,330,973	-14,377,446	-152	-7.5%
<b>\$60,001 to 70,000</b>	76,413	4,899,275,554	190,594,570	176,718,646	-13,875,924	-182	-7.3%
<b>\$70,001 to 80,000</b>	64,174	4,748,910,709	190,771,055	176,982,833	-13,788,222	-215	-7.2%
<b>\$80,001 to 90,000</b>	55,713	4,678,183,541	193,825,099	179,500,690	-14,324,409	-257	-7.4%
<b>\$90,001 to 100,000</b>	47,186	4,434,597,314	188,660,860	174,745,175	-13,915,685	-295	-7.4%
<b>\$100,001 to 125,000</b>	87,362	9,683,451,268	425,800,884	394,120,399	-31,680,485	-363	-7.4%
<b>\$125,001 to 150,000</b>	51,012	6,933,697,380	317,674,504	293,419,637	-24,254,867	-475	-7.6%
<b>\$150,001 to 175,000</b>	30,064	4,840,532,904	228,221,185	210,540,565	-17,680,620	-588	-7.7%
<b>\$175,001 to 200,000</b>	18,266	3,395,566,212	164,237,054	151,113,914	-13,123,140	-718	-8.0%
<b>\$200,001 to 250,000</b>	19,669	4,351,913,182	220,725,713	202,348,897	-18,376,816	-934	-8.3%
<b>\$250,001 to 500,000</b>	23,790	7,877,013,390	449,917,357	388,234,645	-61,682,712	-2,593	-13.7%
<b>\$500,001 to 1,000,000</b>	6,524	4,385,320,843	258,283,860	216,109,168	-42,174,692	-6,465	-16.3%
<b>\$1,000,001 or more</b>	2,616	6,348,804,109	327,648,703	278,538,502	-49,110,201	-18,773	-15.0%
<b>Resident Total</b>	<b>1,450,998</b>	<b>\$88,111,086,890</b>	<b>\$3,778,294,261</b>	<b>\$3,407,839,718</b>	<b>-\$370,454,543</b>	<b>-\$255</b>	<b>-9.8%</b>
<b>Non-Residents Total</b>	<b>188,743</b>	<b>\$89,055,759,411</b>	<b>\$292,846,409</b>	<b>\$264,575,086</b>	<b>-\$28,271,323</b>	<b>-\$150</b>	<b>-9.7%</b>
<b>All Tax Filers Total</b>	<b>1,639,741</b>	<b>\$177,166,846,301</b>	<b>\$4,071,140,670</b>	<b>\$3,672,414,804</b>	<b>-\$398,725,866</b>	<b>-\$243</b>	<b>-9.8%</b>

Analysis Using Individual Return Data from Tax Year 2016

Tax Research and Program Analysis Section, Iowa Department of Revenue

a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.

Note: The 2017 federal law change is reflected in the baseline.

**Table 7. Estimated Distribution of Taxpayers Experiencing Decreases and Increases in Total Tax Liability HF 2489 with Proposed Amendment**

Estimates for Tax Year 2019

All Filers Adjusted Gross Income Current Law	Share of Returns by Estimated Change in Tax Liability <sup>a</sup>			Estimated Change in State Income Tax and School Surtax Liability			
	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
				Total	Average	Total	Average
\$10,000 or less	87.7%	12.2%	0.1%	-\$407,746	-\$13	\$114,961	\$471
\$10,001 to 20,000	31.4%	67.2%	1.4%	-3,825,512	-28	293,648	104
\$20,001 to 30,000	8.9%	88.1%	3.0%	-10,414,524	-64	902,211	165
\$30,001 to 40,000	4.9%	91.3%	3.9%	-16,410,032	-108	1,582,357	245
\$40,001 to 50,000	4.4%	90.6%	5.1%	-18,582,160	-150	2,215,497	320
\$50,001 to 60,000	4.4%	89.3%	6.3%	-17,562,910	-186	2,495,497	375
\$60,001 to 70,000	4.4%	88.6%	7.0%	-16,965,785	-222	2,538,009	424
\$70,001 to 80,000	4.4%	88.2%	7.5%	-16,774,123	-261	2,484,311	457
\$80,001 to 90,000	4.1%	88.6%	7.3%	-17,021,216	-303	2,233,393	485
\$90,001 to 100,000	4.3%	88.4%	7.4%	-16,404,232	-344	2,014,232	506
\$100,001 to 125,000	4.4%	88.5%	7.2%	-36,805,428	-414	4,143,697	576
\$125,001 to 150,000	4.9%	87.9%	7.1%	-27,777,410	-528	2,626,853	614
\$150,001 to 175,000	6.0%	87.1%	6.8%	-20,121,337	-638	1,722,142	695
\$175,001 to 200,000	7.4%	86.6%	6.0%	-14,819,096	-752	937,573	684
\$200,001 to 250,000	8.7%	86.3%	5.1%	-20,576,792	-936	974,490	757
\$250,001 to 500,000	12.5%	85.1%	2.4%	-68,649,528	-2,341	886,462	1,089
\$500,001 to 1,000,000	19.8%	79.5%	0.8%	-48,052,363	-4,864	131,548	1,385
\$1,000,001 or more	32.2%	66.6%	1.3%	-63,835,501	-10,196	498,556	4,155
Composite Returns	23.7%	76.3%	0.0%	-4,287,214	-1,800	0	0
<b>Totals</b>	<b>22.3%</b>	<b>73.7%</b>	<b>4.0%</b>	<b>-\$439,292,909</b>	<b>-\$364</b>	<b>\$28,795,437</b>	<b>\$435</b>

Analysis Using Individual Return Data from Tax Year 2016

Tax Research and Program Analysis Section, Iowa Department of Revenue

a. Share of Returns by Estimated Change in Tax Liability may not equal 100% due to rounding.

Note: The 2017 federal law change is reflected in the baseline.

**Table 7A. Estimated Distribution of Taxpayers Experiencing Decreases and Increases in Total Tax Liability HF 2489 with Proposed Amendment**

Estimates for Tax Year 2019

Resident Filers Adjusted Gross Income	Share of Returns by Estimated Change in Tax Liability <sup>a</sup>			Estimated Change in State Income Tax and School Surtax Liability				
	Current Law	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
					Total	Average	Total	Average
\$10,000 or less	87.1%	12.8%	0.1%	-\$394,590	-\$13	\$88,100	\$414	
\$10,001 to 20,000	29.2%	69.4%	1.4%	-3,695,607	-29	274,461	106	
\$20,001 to 30,000	6.1%	91.0%	2.9%	-10,077,731	-66	826,709	168	
\$30,001 to 40,000	2.1%	94.2%	3.7%	-15,879,426	-111	1,453,233	255	
\$40,001 to 50,000	1.5%	93.8%	4.6%	-18,019,482	-155	1,942,409	338	
\$50,001 to 60,000	1.3%	93.1%	5.6%	-17,020,454	-193	2,132,780	402	
\$60,001 to 70,000	1.1%	92.9%	5.9%	-16,449,135	-232	2,068,601	457	
\$70,001 to 80,000	1.0%	92.8%	6.2%	-16,280,662	-273	1,976,584	496	
\$80,001 to 90,000	0.8%	93.3%	5.9%	-16,554,847	-318	1,690,592	516	
\$90,001 to 100,000	0.8%	93.4%	5.9%	-15,945,096	-362	1,508,542	544	
\$100,001 to 125,000	0.7%	93.7%	5.5%	-35,843,528	-438	3,006,409	621	
\$125,001 to 150,000	0.8%	93.7%	5.6%	-27,009,303	-565	1,895,531	667	
\$150,001 to 175,000	1.0%	93.6%	5.4%	-19,511,077	-693	1,236,947	761	
\$175,001 to 200,000	1.1%	93.8%	5.0%	-14,299,480	-834	736,320	803	
\$200,001 to 250,000	1.1%	94.7%	4.2%	-19,777,991	-1,062	803,233	975	
\$250,001 to 500,000	1.3%	96.5%	2.2%	-64,317,804	-2,802	752,519	1,456	
\$500,001 to 1,000,000	2.0%	97.3%	0.7%	-43,440,654	-6,843	124,852	2,601	
\$1,000,001 or more	2.3%	96.5%	1.2%	-50,552,285	-20,021	325,182	10,162	
<b>Resident Total</b>	<b>19.8%</b>	<b>76.7%</b>	<b>3.5%</b>	<b>-\$405,069,152</b>	<b>-\$364</b>	<b>\$22,843,004</b>	<b>\$451</b>	
<b>Non-Residents Total</b>	<b>41.8%</b>	<b>49.9%</b>	<b>8.2%</b>	<b>-\$34,223,757</b>	<b>-\$363</b>	<b>\$5,952,433</b>	<b>\$383</b>	
<b>All Tax Filers Total</b>	<b>22.3%</b>	<b>73.7%</b>	<b>4.0%</b>	<b>-\$439,292,909</b>	<b>-\$364</b>	<b>\$28,795,437</b>	<b>\$435</b>	

**Analysis Using Individual Return Data from Tax Year 2016**  
**Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. Share of Returns by Estimated Change in Tax Liability may not equal 100% due to rounding.  
 Note: The 2017 federal law change is reflected in the baseline.

**Table 7B. Average Estimated Change in Iowa Tax Liability for Example Taxpayers Filing Iowa Returns HF 2489 with Proposed Amendment**

Estimates for Tax Year 2019

Example Taxpayer Characteristics								Final Tax Liability			Percent Difference
Iowa Filing Status	Dependents	Age	Iowa Current AGI Group	Wages	Social Security <sup>1</sup>	Other Income <sup>2</sup>	Current Law	Proposed Law	Difference		
(1)	Single	0	26-64	\$24,000-\$26,000	\$23,723	\$541	\$2,282	\$747	\$689	-\$58	-7.8%
(2)	Single	0	26-64	\$48,000-\$52,000	\$48,067	\$174	\$2,933	\$2,009	\$1,868	-\$141	-7.0%
(3)	Single	0	26-64	\$93,000-\$107,000	\$85,705	\$183	\$14,225	\$4,519	\$4,246	-\$273	-6.0%
(4)	Single	0	26-64	\$185,000-\$215,000	\$124,308	\$581	\$73,705	\$10,352	\$9,525	-\$827	-8.0%
(5)	Single	0	26-64	\$480,000-\$520,000	\$282,214	\$682	\$215,732	\$30,114	\$24,387	-\$5,727	-19.0%
(6)	Head of Household	1	26-64	\$24,000-\$26,000	\$24,125	\$180	\$1,491	\$189	\$133	-\$56	-29.6%
(7)	Head of Household	1	26-64	\$48,000-\$52,000	\$48,299	\$66	\$1,961	\$1,975	\$1,817	-\$158	-8.0%
(8)	Head of Household	1	26-64	\$93,000-\$107,000	\$87,581	\$1	\$10,878	\$4,551	\$4,256	-\$295	-6.5%
(9)	Head of Household	1	26-64	\$185,000-\$215,000	\$140,912	\$124	\$57,126	\$11,321	\$10,463	-\$858	-7.6%
(10)	Head of Household	2	26-64	\$24,000-\$26,000	\$24,163	\$124	\$1,442	-\$45	-\$103	-\$58	-128.9%
(11)	Head of Household	2	26-64	\$48,000-\$52,000	\$48,144	\$59	\$2,273	\$2,014	\$1,854	-\$160	-7.9%
(12)	Head of Household	2	26-64	\$93,000-\$107,000	\$88,154	\$28	\$10,921	\$4,700	\$4,373	-\$327	-7.0%
(13)	Head of Household	2	26-64	\$185,000-\$215,000	\$137,324	\$0	\$55,403	\$10,139	\$9,174	-\$965	-9.5%
(14)	Married	1	26-64	\$24,000-\$26,000	\$24,927	\$3,376	\$636	\$194	\$117	-\$77	-39.7%
(15)	Married	1	26-64	\$48,000-\$52,000	\$46,788	\$1,111	\$3,687	\$1,768	\$1,629	-\$139	-7.9%
(16)	Married	1	26-64	\$93,000-\$107,000	\$92,528	\$248	\$6,970	\$4,255	\$3,939	-\$316	-7.4%
(17)	Married	1	26-64	\$185,000-\$215,000	\$161,892	\$211	\$33,296	\$9,596	\$8,848	-\$748	-7.8%
(18)	Married	1	26-64	\$480,000-\$520,000	\$311,011	\$249	\$182,728	\$30,452	\$25,447	-\$5,005	-16.4%
(19)	Married	2	26-64	\$24,000-\$26,000	\$25,159	\$1,221	\$238	-\$98	-\$192	-\$94	-95.9%
(20)	Married	2	26-64	\$48,000-\$52,000	\$47,944	\$579	\$2,637	\$1,718	\$1,534	-\$184	-10.7%
(21)	Married	2	26-64	\$93,000-\$107,000	\$94,806	\$119	\$5,355	\$4,397	\$4,057	-\$340	-7.7%
(22)	Married	2	26-64	\$185,000-\$215,000	\$170,424	\$56	\$26,949	\$9,614	\$8,859	-\$755	-7.9%
(23)	Married	2	26-64	\$480,000-\$520,000	\$331,338	\$0	\$161,634	\$30,052	\$25,440	-\$4,612	-15.3%
(24)	Single	0	<=25	less than \$35,000	\$15,798	\$24	\$85	\$421	\$386	-\$35	-8.3%
(25)	Married	0	<=25	less than \$35,000	\$26,778	\$44	-\$6,761	\$429	\$393	-\$36	-8.4%
(26)	Single	0	>=65	\$24,000-\$26,000	\$5,845	\$16,941	\$23,970	\$526	\$488	-\$38	-7.2%
(27)	Single	0	>=65	\$48,000-\$52,000	\$13,675	\$16,325	\$41,608	\$1,550	\$1,442	-\$108	-7.0%
(28)	Single	0	>=65	\$93,000-\$107,000	\$17,986	\$17,995	\$87,391	\$4,203	\$3,915	-\$288	-6.9%
(29)	Single	0	>=65	\$185,000-\$215,000	\$26,994	\$20,143	\$177,566	\$10,656	\$10,036	-\$620	-5.8%
(30)	Single	0	>=65	\$480,000-\$520,000	\$65,192	\$21,828	\$442,971	\$30,527	\$26,350	-\$4,177	-13.7%
(31)	Married	0	>=65	\$24,000-\$26,000	\$9,589	\$30,142	\$25,111	\$235	\$215	-\$20	-8.5%
(32)	Married	0	>=65	\$48,000-\$52,000	\$19,736	\$28,115	\$40,450	\$1,340	\$1,240	-\$100	-7.5%
(33)	Married	0	>=65	\$93,000-\$107,000	\$41,988	\$25,150	\$68,964	\$3,884	\$3,575	-\$309	-8.0%
(34)	Married	0	>=65	\$185,000-\$215,000	\$69,189	\$26,362	\$143,601	\$9,713	\$8,942	-\$771	-7.9%
(35)	Married	0	>=65	\$480,000-\$520,000	\$163,579	\$27,428	\$359,154	\$29,751	\$24,551	-\$5,200	-17.5%

**Analysis Using Individual Return Data from Tax Year 2016.**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

Results based on average outcomes for taxpayers forecasted to meet the characteristics of the various examples listed. The 2017 federal law change is reflected in the baseline.

1. Social Security benefits includes all benefits reported by the taxpayer, not just those subject to income tax.

2. Other income includes any pension income excluded from Iowa AGI.

**Table 8. Tax Year 2021 Current Law and Proposed Law Tax Parameters**

	<i>Current Law</i>	<i>Proposed Law</i>
<b>Federal Tax Deduction</b>	Unlimited	No change
<b>Personal/Dependent/Aged Credits</b>	\$40/40/20	No change
<b>Minimum Filing Thresholds</b>	\$9.0/\$13.5 K	No change
<b>Elderly Minimum Filing Thresholds</b>	\$24/\$32 K	No change
<b>Itemized/Standard Deduction</b>	\$2,140/\$5,270	Itemized coupling
<b>Social Security Income</b>	100% exclusion	No change
<b>Pension/Other Retirement Exclusion</b>	\$6/\$12 K	No change
<b>Iowa Capital Gains Deduction</b>	Unlimited	No change
<b>Alternate Tax Threshold</b>	\$13.5 K/\$32 K elderly	No change
<b>Alternate Tax Rate</b>	6.12%	8.53%
<b>Iowa Earned Income Tax Credit</b>	15% of Fed EITC	Coupling
<b>AMT and Tax Credit</b>	Unlimited	No change
<b>Iowa 529 Plans</b>	Not allowed for K-	Allowed for K-12
<b>Section 179 Cap and Investment Limit</b>	\$25K/\$200K	\$1.06 M/\$2.65 M
<b>Qualified Business Income Deduction</b>	Not allowed	Allowed 50%

*Tax Brackets and Rates*

	<i>Over</i>	<i>But Not Over</i>	<i>Current Rates</i>	<i>Proposed Rates</i>
[1]	\$0	\$1,686	0.36%	0.33%
[2]	\$1,686	\$3,372	0.72%	0.67%
[3]	\$3,372	\$6,744	2.43%	2.25%
[4]	\$6,744	\$15,174	4.50%	4.14%
[5]	\$15,174	\$25,290	6.12%	5.63%
[6]	\$25,290	\$33,720	6.48%	5.96%
[7]	\$33,720	\$50,580	6.80%	6.25%
[8]	\$50,580	\$75,870	7.92%	7.44%
[9]	\$75,870	or more	8.98%	8.53%

Proposal includes additional coupling as noted in the text.

**Table 9. Estimated Change in Tax Liability Under the Proposed Change to Tax Law HF 2489 with Proposed Amendment**

Estimates for Tax Year 2021

All Filers

Adjusted Gross Income	Returns Number	Total AGI	Total Tax Liability		Change in Tax Liability		
			Current	Proposed	Total	Average <sup>a</sup>	Percentage
Current Law	Current	Current	Current	Proposed	Total	Average <sup>a</sup>	Percentage
<b>\$10,000 or less</b>	256,536	-\$4,302,876,566	-\$9,664,654	-\$9,930,112	-\$265,458	-\$1	-2.7%
<b>\$10,001 to 20,000</b>	197,815	2,927,516,906	6,552,647	3,183,746	-3,368,901	-17	-51.4%
<b>\$20,001 to 30,000</b>	180,351	4,469,621,160	76,335,092	67,388,856	-8,946,236	-50	-11.7%
<b>\$30,001 to 40,000</b>	165,453	5,717,238,336	154,899,055	140,605,850	-14,293,205	-86	-9.2%
<b>\$40,001 to 50,000</b>	139,487	6,175,322,234	201,208,242	184,656,348	-16,551,894	-119	-8.2%
<b>\$50,001 to 60,000</b>	109,142	5,889,840,045	204,001,756	188,436,915	-15,564,841	-143	-7.6%
<b>\$60,001 to 70,000</b>	88,821	5,659,639,815	201,430,033	186,692,556	-14,737,477	-166	-7.3%
<b>\$70,001 to 80,000</b>	74,688	5,487,171,200	199,966,704	185,629,845	-14,336,859	-192	-7.2%
<b>\$80,001 to 90,000</b>	65,228	5,429,572,999	202,270,626	187,634,349	-14,636,277	-224	-7.2%
<b>\$90,001 to 100,000</b>	56,280	5,239,638,215	200,517,104	185,867,551	-14,649,553	-260	-7.3%
<b>\$100,001 to 125,000</b>	106,871	11,740,314,206	461,806,915	427,711,134	-34,095,781	-319	-7.4%
<b>\$125,001 to 150,000</b>	66,119	8,922,064,175	359,609,849	332,238,897	-27,370,952	-414	-7.6%
<b>\$150,001 to 175,000</b>	40,378	6,458,940,399	263,724,239	242,814,594	-20,909,645	-518	-7.9%
<b>\$175,001 to 200,000</b>	25,625	4,734,024,347	192,141,360	175,998,885	-16,142,475	-630	-8.4%
<b>\$200,001 to 250,000</b>	28,549	6,280,650,476	255,922,598	232,165,363	-23,757,235	-832	-9.3%
<b>\$250,001 to 500,000</b>	37,786	12,579,788,909	520,497,527	439,551,739	-80,945,788	-2,142	-15.6%
<b>\$500,001 to 1,000,000</b>	13,329	9,040,228,393	305,599,559	241,119,437	-64,480,122	-4,838	-21.1%
<b>\$1,000,001 or more</b>	10,094	88,097,600,645	459,933,766	371,372,917	-88,560,849	-8,774	-19.3%
<b>Composite Returns</b>	3,123	839,930,705	54,819,378	49,003,636	-5,815,742	-1,862	-10.6%
<b>Totals</b>	<b>1,665,673</b>	<b>\$191,386,226,597</b>	<b>\$4,311,571,796</b>	<b>\$3,832,142,506</b>	<b>-\$479,429,290</b>	<b>-\$288</b>	<b>-11.1%</b>

**Analysis Using Individual Return Data from Tax Year 2016**  
**Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.

Note: The 2017 federal law change is reflected in the baseline.

**Table 9A. Estimated Change in Individual Income Tax Liability By Adjusted Gross Income Level Under HF 2489 with Proposed Amendment**

*Estimates for Tax Year 2021*

Resident Filers								
Adjusted Gross Income	Returns Number	Total AGI	Total Tax Liability		Change in Tax Liability			
			Current	Proposed	Total	Average <sup>a</sup>	Percentage	
Current Law								
<b>\$10,000 or less</b>	236,464	-\$1,545,653,332	-\$9,224,133	-\$9,497,815	-\$273,682	-\$1	-3.0%	
<b>\$10,001 to 20,000</b>	181,251	2,682,341,570	6,304,050	3,041,651	-3,262,399	-18	-51.8%	
<b>\$20,001 to 30,000</b>	165,395	4,097,898,482	73,910,708	65,227,068	-8,683,640	-53	-11.7%	
<b>\$30,001 to 40,000</b>	151,389	5,229,750,348	149,803,165	135,911,960	-13,891,205	-92	-9.3%	
<b>\$40,001 to 50,000</b>	126,915	5,616,995,465	194,551,895	178,341,000	-16,210,895	-128	-8.3%	
<b>\$50,001 to 60,000</b>	98,139	5,292,629,847	197,119,487	181,792,463	-15,327,024	-156	-7.8%	
<b>\$60,001 to 70,000</b>	79,070	5,035,058,565	194,254,244	179,647,596	-14,606,648	-185	-7.5%	
<b>\$70,001 to 80,000</b>	65,899	4,838,711,214	192,609,671	178,298,572	-14,311,099	-217	-7.4%	
<b>\$80,001 to 90,000</b>	57,343	4,770,782,731	195,193,711	180,503,718	-14,689,993	-256	-7.5%	
<b>\$90,001 to 100,000</b>	49,270	4,586,521,542	193,246,635	178,585,491	-14,661,144	-298	-7.6%	
<b>\$100,001 to 125,000</b>	93,067	10,223,961,572	445,283,677	411,090,442	-34,193,235	-367	-7.7%	
<b>\$125,001 to 150,000</b>	56,588	7,637,509,178	346,226,625	318,892,416	-27,334,209	-483	-7.9%	
<b>\$150,001 to 175,000</b>	33,845	5,417,228,791	253,040,586	232,338,803	-20,701,783	-612	-8.2%	
<b>\$175,001 to 200,000</b>	20,742	3,833,826,719	183,807,775	168,001,792	-15,805,983	-762	-8.6%	
<b>\$200,001 to 250,000</b>	22,183	4,882,284,780	244,074,010	221,165,508	-22,908,502	-1,033	-9.4%	
<b>\$250,001 to 500,000</b>	26,452	8,705,915,951	491,061,682	414,883,531	-76,178,151	-2,880	-15.5%	
<b>\$500,001 to 1,000,000</b>	7,086	4,740,438,466	278,557,769	220,100,970	-58,456,799	-8,250	-21.0%	
<b>\$1,000,001 or more</b>	2,896	7,038,080,988	368,265,360	296,918,700	-71,346,660	-24,636	-19.4%	
<b>Resident Total</b>	<b>1,473,996</b>	<b>\$93,084,282,876</b>	<b>\$3,998,086,917</b>	<b>\$3,555,243,866</b>	<b>-\$442,843,051</b>	<b>-\$300</b>	<b>-11.1%</b>	
<b>Non-Residents Total</b>	<b>191,677</b>	<b>\$98,301,943,721</b>	<b>\$313,484,879</b>	<b>\$276,898,640</b>	<b>-\$36,586,239</b>	<b>-\$191</b>	<b>-11.7%</b>	
<b>All Tax Filers Total</b>	<b>1,665,673</b>	<b>\$191,386,226,597</b>	<b>\$4,311,571,796</b>	<b>\$3,832,142,506</b>	<b>-\$479,429,290</b>	<b>-\$288</b>	<b>-11.1%</b>	

**Analysis Using Individual Return Data from Tax Year 2016**  
**Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.  
 Note: The 2017 federal law change is reflected in the baseline.

**Table 10. Estimated Distribution of Taxpayers Experiencing Decreases and Increases in Total Tax Liability HF 2489 with Proposed Amendment**

Estimates for Tax Year 2021

All Filers Adjusted Gross Income Current Law	Count of Returns by Estimated Change in Tax Liability <sup>a</sup>			Estimated Change in State Income Tax and School Surtax Liability			
	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
				Total	Average	Total	Average
\$10,000 or less	87.9%	12.0%	0.1%	-\$392,875	-\$13	\$126,887	\$518
\$10,001 to 20,000	31.4%	67.3%	1.3%	-3,755,995	-28	288,080	113
\$20,001 to 30,000	9.3%	87.8%	2.9%	-10,085,823	-64	850,215	163
\$30,001 to 40,000	5.1%	91.1%	3.8%	-16,255,163	-108	1,500,433	240
\$40,001 to 50,000	4.5%	90.7%	4.8%	-19,220,171	-152	2,118,646	316
\$50,001 to 60,000	4.5%	89.5%	6.0%	-18,546,423	-190	2,441,226	372
\$60,001 to 70,000	4.5%	88.8%	6.8%	-17,778,339	-225	2,511,041	417
\$70,001 to 80,000	4.6%	88.1%	7.3%	-17,370,942	-264	2,508,071	459
\$80,001 to 90,000	4.4%	88.2%	7.4%	-17,554,008	-305	2,367,090	491
\$90,001 to 100,000	4.2%	88.5%	7.2%	-17,290,671	-347	2,089,594	512
\$100,001 to 125,000	4.4%	88.5%	7.1%	-39,733,420	-420	4,373,385	574
\$125,001 to 150,000	5.0%	87.9%	7.1%	-31,331,510	-539	2,987,386	634
\$150,001 to 175,000	5.6%	87.5%	6.9%	-23,539,320	-666	1,926,815	693
\$175,001 to 200,000	7.1%	86.7%	6.2%	-17,797,634	-801	1,123,785	712
\$200,001 to 250,000	8.6%	86.1%	5.3%	-25,703,331	-1,046	1,180,981	777
\$250,001 to 500,000	12.0%	85.3%	2.7%	-84,497,029	-2,621	1,107,764	1,101
\$500,001 to 1,000,000	19.6%	79.7%	0.8%	-66,350,915	-6,246	146,663	1,467
\$1,000,001 or more	31.7%	67.4%	0.9%	-90,671,531	-13,332	355,188	3,861
Composite Returns	23.6%	76.4%	0.0%	-5,815,742	-2,436	0	0
<b>Totals</b>	<b>21.7%</b>	<b>74.2%</b>	<b>4.0%</b>	<b>-\$523,690,842</b>	<b>-\$424</b>	<b>\$30,003,250</b>	<b>\$446</b>

**Analysis Using Individual Return Data from Tax Year 2016  
Tax Research and Program Analysis Section, Iowa Department of Revenue**

Note: The 2017 federal law change is reflected in the baseline.



**Table 10A. Estimated Distribution of Taxpayers Experiencing Decreases and Increases in Total Tax Liability HF 2489 with Proposed Amendment**

Estimates for Tax Year 2021

Resident Filers Adjusted Gross Income Current Law	Count of Returns by Estimated Change in Tax Liability			Estimated Change in State Income Tax and School Surtax Liability			
	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
				Total	Average	Total	Average
\$10,000 or less	87.3%	12.6%	0.1%	-\$378,639	-\$13	\$104,427	\$470
\$10,001 to 20,000	29.2%	69.5%	1.3%	-3,630,192	-29	268,779	115
\$20,001 to 30,000	6.4%	90.7%	2.8%	-9,758,099	-65	785,087	167
\$30,001 to 40,000	2.3%	94.1%	3.6%	-15,731,970	-110	1,379,240	250
\$40,001 to 50,000	1.7%	93.8%	4.4%	-18,625,765	-156	1,865,239	331
\$50,001 to 60,000	1.5%	93.1%	5.4%	-17,976,759	-197	2,109,379	397
\$60,001 to 70,000	1.3%	92.8%	5.9%	-17,218,227	-235	2,081,758	449
\$70,001 to 80,000	1.2%	92.6%	6.1%	-16,848,311	-276	2,011,201	497
\$80,001 to 90,000	1.0%	92.9%	6.0%	-17,064,491	-320	1,823,857	526
\$90,001 to 100,000	0.9%	93.2%	5.9%	-16,799,697	-366	1,587,029	548
\$100,001 to 125,000	0.9%	93.6%	5.5%	-38,628,309	-443	3,170,820	617
\$125,001 to 150,000	0.9%	93.5%	5.6%	-30,471,579	-576	2,164,198	688
\$150,001 to 175,000	1.0%	93.5%	5.5%	-22,819,964	-721	1,415,321	758
\$175,001 to 200,000	1.2%	93.7%	5.1%	-17,187,650	-884	850,293	807
\$200,001 to 250,000	1.3%	94.2%	4.5%	-24,641,392	-1,179	967,775	977
\$250,001 to 500,000	1.4%	96.0%	2.5%	-79,590,969	-3,133	969,341	1,438
\$500,001 to 1,000,000	2.0%	97.3%	0.7%	-60,311,246	-8,750	130,317	2,606
\$1,000,001 or more	2.3%	96.8%	0.8%	-73,313,871	-26,137	211,717	8,822
<b>Resident Total</b>	<b>19.2%</b>	<b>77.3%</b>	<b>3.5%</b>	<b>-\$480,997,130</b>	<b>-\$422</b>	<b>\$23,895,778</b>	<b>\$462</b>
<b>Non-Residents Total</b>	<b>41.4%</b>	<b>50.5%</b>	<b>8.1%</b>	<b>-\$42,693,712</b>	<b>-\$441</b>	<b>\$6,107,472</b>	<b>\$392</b>
<b>All Tax Filers Total</b>	<b>21.7%</b>	<b>74.2%</b>	<b>4.0%</b>	<b>-\$523,690,842</b>	<b>-\$424</b>	<b>\$30,003,250</b>	<b>\$446</b>

**Analysis Using Individual Return Data from Tax Year 2016  
Tax Research and Program Analysis Section, Iowa Department of Revenue**

Note: The 2017 federal law change is reflected in the baseline.

**Table 10B. Average Estimated Change in Iowa Tax Liability for Example Taxpayers Filing Iowa Returns HF 2489 with Proposed Amendment**

Estimates for Tax Year 2021

Example Taxpayer Characteristics								Final Tax Liability			Percent Difference
Iowa Filing Status	Dependents	Age	Iowa Current AGI Group	Wages	Social Security <sup>1</sup>	Other Income <sup>2</sup>	Current Law	Proposed Law	Difference		
(1)	Single	0	26-64	\$24,000-\$26,000	\$24,079	\$602	\$2,427	\$743	\$684	-\$59	-7.9%
(2)	Single	0	26-64	\$48,000-\$52,000	\$48,907	\$177	\$3,024	\$2,001	\$1,855	-\$146	-7.3%
(3)	Single	0	26-64	\$93,000-\$107,000	\$86,977	\$218	\$13,279	\$4,457	\$4,186	-\$271	-6.1%
(4)	Single	0	26-64	\$185,000-\$215,000	\$127,546	\$642	\$70,743	\$10,513	\$9,524	-\$989	-9.4%
(5)	Single	0	26-64	\$480,000-\$520,000	\$261,509	\$332	\$242,118	\$30,525	\$24,875	-\$5,650	-18.5%
(6)	Head of Household	1	26-64	\$24,000-\$26,000	\$24,630	\$178	\$1,600	\$142	\$88	-\$54	-38.0%
(7)	Head of Household	1	26-64	\$48,000-\$52,000	\$49,046	\$49	\$1,930	\$1,964	\$1,800	-\$164	-8.4%
(8)	Head of Household	1	26-64	\$93,000-\$107,000	\$87,933	\$6	\$10,529	\$4,539	\$4,224	-\$315	-6.9%
(9)	Head of Household	1	26-64	\$185,000-\$215,000	\$146,615	\$3	\$50,721	\$10,599	\$9,852	-\$747	-7.0%
(10)	Head of Household	2	26-64	\$24,000-\$26,000	\$24,707	\$148	\$1,579	-\$109	-\$166	-\$57	-52.3%
(11)	Head of Household	2	26-64	\$48,000-\$52,000	\$49,100	\$91	\$2,002	\$1,984	\$1,812	-\$172	-8.7%
(12)	Head of Household	2	26-64	\$93,000-\$107,000	\$88,857	\$27	\$10,001	\$4,667	\$4,353	-\$314	-6.7%
(13)	Head of Household	2	26-64	\$185,000-\$215,000	\$132,493	\$0	\$60,700	\$10,128	\$8,826	-\$1,302	-12.9%
(14)	Married	1	26-64	\$24,000-\$26,000	\$25,414	\$3,296	\$290	\$159	\$87	-\$72	-45.3%
(15)	Married	1	26-64	\$48,000-\$52,000	\$47,582	\$1,431	\$3,540	\$1,718	\$1,573	-\$145	-8.4%
(16)	Married	1	26-64	\$93,000-\$107,000	\$93,827	\$284	\$6,603	\$4,195	\$3,872	-\$323	-7.7%
(17)	Married	1	26-64	\$185,000-\$215,000	\$162,359	\$214	\$31,696	\$9,477	\$8,708	-\$769	-8.1%
(18)	Married	1	26-64	\$480,000-\$520,000	\$301,594	\$727	\$184,184	\$30,581	\$24,087	-\$6,494	-21.2%
(19)	Married	2	26-64	\$24,000-\$26,000	\$26,187	\$1,895	-\$198	-\$142	-\$232	-\$90	-63.4%
(20)	Married	2	26-64	\$48,000-\$52,000	\$48,683	\$637	\$2,793	\$1,689	\$1,490	-\$199	-11.8%
(21)	Married	2	26-64	\$93,000-\$107,000	\$95,854	\$128	\$5,591	\$4,346	\$3,999	-\$347	-8.0%
(22)	Married	2	26-64	\$185,000-\$215,000	\$172,243	\$51	\$25,299	\$9,494	\$8,674	-\$820	-8.6%
(23)	Married	2	26-64	\$480,000-\$520,000	\$334,748	\$225	\$160,095	\$30,500	\$24,788	-\$5,712	-18.7%
(24)	Single	0	<=25	less than \$35,000	\$15,368	\$26	\$42	\$428	\$393	-\$35	-8.2%
(25)	Married	0	<=25	less than \$35,000	\$26,368	\$50	-\$7,842	\$411	\$376	-\$35	-8.5%
(26)	Single	0	>=65	\$24,000-\$26,000	\$5,854	\$18,290	\$24,415	\$514	\$472	-\$42	-8.2%
(27)	Single	0	>=65	\$48,000-\$52,000	\$13,283	\$17,627	\$42,628	\$1,522	\$1,411	-\$111	-7.3%
(28)	Single	0	>=65	\$93,000-\$107,000	\$20,240	\$18,656	\$86,189	\$4,127	\$3,826	-\$301	-7.3%
(29)	Single	0	>=65	\$185,000-\$215,000	\$31,803	\$21,326	\$174,879	\$10,379	\$9,638	-\$741	-7.1%
(30)	Single	0	>=65	\$480,000-\$520,000	\$38,409	\$20,881	\$469,195	\$29,008	\$25,386	-\$3,622	-12.5%
(31)	Married	0	>=65	\$24,000-\$26,000	\$9,547	\$31,664	\$25,672	\$233	\$211	-\$22	-9.4%
(32)	Married	0	>=65	\$48,000-\$52,000	\$20,536	\$29,844	\$40,638	\$1,313	\$1,209	-\$104	-7.9%
(33)	Married	0	>=65	\$93,000-\$107,000	\$43,782	\$26,827	\$68,839	\$3,832	\$3,514	-\$318	-8.3%
(34)	Married	0	>=65	\$185,000-\$215,000	\$73,415	\$27,733	\$142,153	\$9,478	\$8,641	-\$837	-8.8%
(35)	Married	0	>=65	\$480,000-\$520,000	\$167,775	\$27,838	\$362,306	\$30,580	\$25,239	-\$5,341	-17.5%

**Analysis Using Individual Return Data from Tax Year 2016.**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

Results based on average outcomes for taxpayers forecasted to meet the characteristics of the various examples listed. The 2017 federal law change is reflected in the baseline.

1. Social Security benefits includes all benefits reported by the taxpayer, not just those subject to income tax.

2. Other income includes any pension income excluded from Iowa AGI.

**Table 11. Tax Year 2023 Current Law and Proposed Law Tax Parameters**

	<i>Current Law</i>	<i>Proposed Law</i>
<b>Federal Tax Deduction</b>	Unlimited	Eliminated ( Transition Year)
<b>Personal/Dependent/Aged Credits</b>	\$40/40/20	No change
<b>Minimum Filing Thresholds</b>	\$9.0/\$13.5 K	Redefined Net Income Measure
<b>Elderly Minimum Filing Thresholds</b>	\$24/\$32 K	Redefined Net Income Measure
<b>Itemized/Standard Deduction</b>	\$2,220/\$5,460	Federal Deductions Utilized
<b>Social Security Income</b>	100% exclusion	No change
<b>Pension/Other Retirement Exclusion</b>	\$6/\$12 K	No change
<b>Iowa Capital Gains Deduction</b>	Unlimited	Allowed for Farmland Sales to Lineal Descendents
<b>Alternate Tax Threshold</b>	\$13.5 K/\$32 K elderly	Redefined Net Income Measure
<b>Alternate Tax Rate</b>	8.98%	6.50%
<b>Iowa Earned Income Tax Credit</b>	Refundable 15%	Coupling
<b>AMT and Tax Credit</b>	Allowed	Repealed
<b>Section 179 Cap and Investment Limit</b>	\$25K/\$200K	\$1.1M/\$2.74M
<b>Iowa 529 Plans</b>	Not Allowed for K-12	Allowed for K-12
<b>Qualified Business Income Deduction</b>	Not allowed	Allowed 100%

<i>Tax Brackets and Rates</i>						
	<i>Over</i>	<i>But Not Over</i>	<i>Current Rates</i>	<i>Over</i>	<i>But Not Over</i>	<i>Tax Rates</i>
[1]	\$0	\$1,747	0.36%	\$0	\$6,000	4.40%
[2]	\$1,747	\$3,494	0.72%	\$6,000	\$30,000	4.82%
[3]	\$3,494	\$6,988	2.43%	\$30,000	\$75,000	5.70%
[4]	\$6,988	\$15,723	4.50%	\$75,000 or more		6.50%
[5]	\$15,723	\$26,205	6.12%			
[6]	\$26,205	\$34,940	6.48%			
[7]	\$34,940	\$52,410	6.80%			
[8]	\$52,410	\$78,615	7.92%			
[9]	\$78,615	or more	8.98%			

Proposal includes additional coupling as noted in the text.

**Table 12. Estimated Change in Individual Income Tax Liability By Adjusted Gross Income Level Under HF 2489 with Proposed Amendment**

*Estimates for Tax Year 2023*

All Filers

Adjusted Gross Income	Returns Number	Total AGI	Total Tax Liability		Change in Tax Liability		
			Current	Proposed	Total	Average <sup>a</sup>	Percentage
<b>Current Law</b>	<b>Current</b>	<b>Current</b>	<b>Current</b>	<b>Proposed</b>	<b>Total</b>	<b>Average<sup>a</sup></b>	<b>Percentage</b>
\$10,000 or less	251,460	-\$4,675,820,507	-\$9,684,198	-\$4,408,069	\$5,276,129	\$21	54.5%
\$10,001 to 20,000	194,010	2,867,247,719	5,978,851	-14,479,427	-20,458,278	-105	-342.2%
\$20,001 to 30,000	174,566	4,313,805,405	68,923,834	32,084,773	-36,839,061	-211	-53.4%
\$30,001 to 40,000	163,171	5,620,887,304	146,690,302	101,142,872	-45,547,430	-279	-31.1%
\$40,001 to 50,000	140,381	6,195,508,917	198,304,494	154,289,589	-44,014,905	-314	-22.2%
\$50,001 to 60,000	112,391	6,034,604,499	207,795,727	173,448,997	-34,346,730	-306	-16.5%
\$60,001 to 70,000	91,141	5,778,893,532	204,022,809	175,262,135	-28,760,674	-316	-14.1%
\$70,001 to 80,000	76,481	5,585,236,313	201,693,708	172,781,383	-28,912,325	-378	-14.3%
\$80,001 to 90,000	66,475	5,494,599,353	202,646,075	173,297,627	-29,348,448	-441	-14.5%
\$90,001 to 100,000	58,478	5,401,722,736	203,950,161	176,547,119	-27,403,042	-469	-13.4%
\$100,001 to 125,000	112,986	12,307,963,541	479,395,622	423,603,245	-55,792,377	-494	-11.6%
\$125,001 to 150,000	73,484	9,834,032,597	392,169,038	354,518,895	-37,650,143	-512	-9.6%
\$150,001 to 175,000	44,887	7,123,287,884	289,476,646	262,055,173	-27,421,473	-611	-9.5%
\$175,001 to 200,000	28,936	5,306,651,994	215,016,654	197,352,607	-17,664,047	-610	-8.2%
\$200,001 to 250,000	32,361	7,063,402,668	286,131,601	262,993,402	-23,138,199	-715	-8.1%
\$250,001 to 500,000	41,636	13,734,484,188	564,494,820	489,767,289	-74,727,531	-1,795	-13.2%
\$500,001 to 1,000,000	14,274	9,622,587,909	329,656,102	285,282,058	-44,374,044	-3,109	-13.5%
\$1,000,001 or more	10,679	93,757,360,776	495,641,545	449,687,042	-45,954,503	-4,303	-9.3%
<b>Composite Returns</b>	<b>3,123</b>	<b>960,193,172</b>	<b>63,990,897</b>	<b>49,141,279</b>	<b>-14,849,618</b>	<b>-4,755</b>	<b>-23.2%</b>
<b>Totals</b>	<b>1,690,920</b>	<b>\$202,326,649,999</b>	<b>\$4,546,294,688</b>	<b>\$3,914,367,989</b>	<b>-\$631,926,699</b>	<b>-\$374</b>	<b>-13.9%</b>

**Analysis Using Individual Return Data from Tax Year 2016**  
**Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.

Note: The 2017 federal law change is reflected in the baseline.

**Table 12A. Estimated Change in Individual Income Tax Liability by Adjusted Gross Income Level Under HF 2489 with Proposed Amendment**

Estimates for Tax Year 2023

Resident Filers

Adjusted Gross Income	Returns Number	Total AGI	Total Tax Liability		Change in Tax Liability		
			Current	Proposed	Total	Average <sup>a</sup>	Percentage
<b>Current Law</b>	<b>Current</b>	<b>Current</b>	<b>Current</b>	<b>Proposed</b>	<b>Total</b>	<b>Average<sup>a</sup></b>	<b>Percentage</b>
\$10,000 or less	232,056	-\$1,891,706,363	-\$9,231,733	-\$5,295,564	\$3,936,169	\$17	42.6%
\$10,001 to 20,000	177,886	2,628,578,241	5,748,083	-14,193,303	-19,941,386	-112	-346.9%
\$20,001 to 30,000	160,201	3,957,729,037	66,780,628	31,008,783	-35,771,845	-223	-53.6%
\$30,001 to 40,000	149,382	5,143,972,571	141,886,221	97,787,829	-44,098,392	-295	-31.1%
\$40,001 to 50,000	127,910	5,642,958,628	191,619,975	149,033,090	-42,586,885	-333	-22.2%
\$50,001 to 60,000	101,549	5,449,838,216	200,975,179	167,567,887	-33,407,292	-329	-16.6%
\$60,001 to 70,000	81,335	5,154,256,678	196,787,133	168,718,013	-28,069,120	-345	-14.3%
\$70,001 to 80,000	67,604	4,933,788,108	194,321,987	166,039,151	-28,282,836	-418	-14.6%
\$80,001 to 90,000	58,445	4,826,957,489	195,233,352	166,406,247	-28,827,105	-493	-14.8%
\$90,001 to 100,000	51,226	4,730,255,657	196,602,067	169,549,056	-27,053,011	-528	-13.8%
\$100,001 to 125,000	98,611	10,740,057,998	462,025,722	406,737,914	-55,287,808	-561	-12.0%
\$125,001 to 150,000	63,213	8,458,989,964	378,015,568	340,615,494	-37,400,074	-592	-9.9%
\$150,001 to 175,000	37,831	6,006,986,453	277,794,864	250,837,774	-26,957,090	-713	-9.7%
\$175,001 to 200,000	23,693	4,344,403,839	205,608,935	188,289,117	-17,319,818	-731	-8.4%
\$200,001 to 250,000	25,464	5,559,846,068	273,230,660	250,469,733	-22,760,927	-894	-8.3%
\$250,001 to 500,000	29,484	9,615,060,761	532,828,998	461,634,879	-71,194,119	-2,415	-13.4%
\$500,001 to 1,000,000	7,717	5,128,355,032	301,018,726	260,586,672	-40,432,054	-5,239	-13.4%
\$1,000,001 or more	3,136	7,600,433,777	397,864,690	360,288,527	-37,576,163	-11,982	-9.4%
<b>Resident Total</b>	<b>1,496,744</b>	<b>\$98,030,762,155</b>	<b>\$4,209,111,055</b>	<b>\$3,616,081,299</b>	<b>-\$593,029,756</b>	<b>-\$396</b>	<b>-14.1%</b>
<b>Non-Residents Total</b>	<b>194,175</b>	<b>\$104,295,887,844</b>	<b>\$337,183,633</b>	<b>\$298,286,690</b>	<b>-\$38,896,943</b>	<b>-\$200</b>	<b>-11.5%</b>
<b>All Tax Filers Total</b>	<b>1,690,920</b>	<b>\$202,326,649,999</b>	<b>\$4,546,294,688</b>	<b>\$3,914,367,989</b>	<b>-\$631,926,699</b>	<b>-\$374</b>	<b>-13.9%</b>

Analysis Using Individual Return Data from Tax Year 2016

Tax Research and Program Analysis Section, Iowa Department of Revenue

a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.

Note: The 2017 federal law change is reflected in the baseline.

**Table 13. Estimated Distribution of Taxpayers Experiencing Decreases and Increases in Total Tax Liability  
HF 2489 with Proposed Amendment**

Estimates for Tax Year 2023

All Filers Adjusted Gross Income Current Law	Count of Returns by Estimated Change in Tax Liability <sup>a</sup>			Estimated Change in State Income Tax and School Surtax Liability			
	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
				Total	Average	Total	Average
\$10,000 or less	84.5%	11.7%	3.7%	-\$1,890,321	-\$64	\$7,333,222	\$783
\$10,001 to 20,000	28.8%	67.0%	4.1%	-23,509,569	-181	2,394,312	299
\$20,001 to 30,000	8.3%	82.4%	9.3%	-42,585,466	-296	4,526,465	280
\$30,001 to 40,000	4.3%	83.1%	12.6%	-53,961,071	-398	6,871,669	334
\$40,001 to 50,000	3.8%	80.0%	16.2%	-53,681,410	-478	8,155,402	358
\$50,001 to 60,000	3.7%	75.4%	20.9%	-44,869,523	-530	9,268,326	394
\$60,001 to 70,000	3.9%	71.8%	24.3%	-39,484,982	-603	9,607,580	433
\$70,001 to 80,000	3.8%	71.6%	24.6%	-39,157,830	-715	9,103,709	484
\$80,001 to 90,000	3.9%	73.0%	23.1%	-38,623,961	-796	8,097,116	527
\$90,001 to 100,000	3.7%	73.4%	22.9%	-35,915,759	-837	7,425,420	554
\$100,001 to 125,000	3.7%	71.1%	25.2%	-75,271,554	-937	17,288,928	606
\$125,001 to 150,000	4.2%	66.6%	29.2%	-53,925,390	-1,102	14,794,337	689
\$150,001 to 175,000	4.7%	65.1%	30.2%	-39,393,699	-1,348	10,972,563	810
\$175,001 to 200,000	5.4%	60.2%	34.3%	-27,591,036	-1,583	9,268,240	933
\$200,001 to 250,000	7.1%	57.1%	35.7%	-37,600,192	-2,033	13,587,577	1,175
\$250,001 to 500,000	10.2%	64.8%	24.9%	-97,832,962	-3,624	20,632,933	1,989
\$500,001 to 1,000,000	17.1%	58.9%	23.9%	-61,309,169	-7,287	15,542,865	4,550
\$1,000,001 or more	28.8%	40.2%	31.0%	-91,858,997	-21,372	44,766,510	13,541
Composite Returns	18.0%	59.7%	22.3%	-14,910,813	-7,995	61,195	88
<b>Totals</b>	<b>19.8%</b>	<b>64.1%</b>	<b>16.1%</b>	<b>-\$873,373,704</b>	<b>-\$806</b>	<b>\$219,698,369</b>	<b>\$805</b>

**Analysis Using Individual Return Data from Tax Year 2016**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. Share of Returns by Estimated Change in Tax Liability may not equal 100% due to rounding.

Note: The 2017 federal law change is reflected in the baseline.

**Table 13A. Estimated Distribution of Taxpayers Experiencing Decreases and Increases in Total Tax Liability HF 2489 with Proposed Amendment**

Estimates for Tax Year 2023

Resident Filers Adjusted Gross Income	Count of Returns by Estimated Change in Tax Liability <sup>a</sup>			Estimated Change in State Income Tax and School Surtax Liability				
	Current Law	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
					Total	Average	Total	Average
\$10,000 or less	84.0%	12.3%	3.7%	-\$1,807,812	-\$64	\$5,910,638	\$687	
\$10,001 to 20,000	26.5%	69.2%	4.2%	-22,765,420	-185	2,167,091	287	
\$20,001 to 30,000	5.5%	84.9%	9.5%	-41,315,392	-304	4,323,457	283	
\$30,001 to 40,000	1.5%	85.5%	12.9%	-52,124,425	-408	6,483,994	335	
\$40,001 to 50,000	1.2%	82.3%	16.5%	-51,787,992	-492	7,690,001	364	
\$50,001 to 60,000	1.0%	77.9%	21.1%	-43,293,090	-547	8,631,331	403	
\$60,001 to 70,000	1.0%	74.7%	24.3%	-37,968,798	-625	8,782,950	445	
\$70,001 to 80,000	0.8%	75.1%	24.1%	-37,572,521	-740	8,147,884	500	
\$80,001 to 90,000	0.8%	77.1%	22.2%	-36,997,605	-821	6,992,103	540	
\$90,001 to 100,000	0.6%	77.8%	21.6%	-34,358,019	-862	6,217,716	562	
\$100,001 to 125,000	0.6%	75.5%	23.9%	-71,693,433	-963	14,215,400	603	
\$125,001 to 150,000	0.6%	70.9%	28.5%	-50,949,203	-1,137	12,068,222	670	
\$150,001 to 175,000	0.7%	69.4%	29.9%	-36,913,946	-1,406	8,957,412	791	
\$175,001 to 200,000	0.7%	64.1%	35.2%	-25,557,705	-1,683	7,579,138	909	
\$200,001 to 250,000	1.0%	61.3%	37.7%	-34,818,758	-2,230	11,183,425	1,164	
\$250,001 to 500,000	1.1%	72.5%	26.4%	-89,988,211	-4,212	16,321,565	2,093	
\$500,001 to 1,000,000	1.6%	71.9%	26.5%	-54,453,738	-9,806	12,629,333	6,179	
\$1,000,001 or more	1.8%	58.3%	39.9%	-73,325,635	-40,091	34,611,488	27,689	
<b>Resident Total</b>	<b>17.4%</b>	<b>66.9%</b>	<b>15.7%</b>	<b>-\$797,691,703</b>	<b>-\$797</b>	<b>\$182,913,148</b>	<b>\$777</b>	
<b>Non-Residents Total</b>	<b>38.1%</b>	<b>42.4%</b>	<b>19.4%</b>	<b>-\$75,682,001</b>	<b>-\$919</b>	<b>\$36,785,221</b>	<b>\$975</b>	
<b>All Tax Filers Total</b>	<b>19.8%</b>	<b>64.1%</b>	<b>16.1%</b>	<b>-\$873,373,704</b>	<b>-\$806</b>	<b>\$219,698,369</b>	<b>\$805</b>	

Analysis Using Individual Return Data from Tax Year 2016

Tax Research and Program Analysis Section, Iowa Department of Revenue

a. Share of Returns by Estimated Change in Tax Liability may not equal 100% due to rounding.

Note: The 2017 federal law change is reflected in the baseline.

**Table 13B. Average Estimated Change in Iowa Tax Liability for Example Taxpayers Filing Iowa Returns HF 2489 with Proposed Amendment**

Estimates for Tax Year 2023

Example Taxpayer Characteristics								Final Tax Liability			Percent Difference
Iowa Filing Status	Dependents	Age	Iowa Current AGI Group	Wages	Social Security <sup>1</sup>	Other Income <sup>2</sup>	Current Law	Proposed Law	Difference		
(1)	Single	0	26-64	\$24,000-\$26,000	\$23,698	\$748	\$2,839	\$723	\$562	-\$161	-22.3%
(2)	Single	0	26-64	\$48,000-\$52,000	\$49,240	\$196	\$2,939	\$1,975	\$1,820	-\$155	-7.8%
(3)	Single	0	26-64	\$93,000-\$107,000	\$88,948	\$224	\$12,115	\$4,436	\$4,509	\$73	1.6%
(4)	Single	0	26-64	\$185,000-\$215,000	\$129,206	\$475	\$68,893	\$10,283	\$9,805	-\$478	-4.6%
(5)	Single	0	26-64	\$480,000-\$520,000	\$213,416	\$369	\$279,455	\$31,362	\$27,519	-\$3,843	-12.3%
(6)	Head of Household	1	26-64	\$24,000-\$26,000	\$24,654	\$188	\$1,773	\$94	-\$269	-\$363	-386.2%
(7)	Head of Household	1	26-64	\$48,000-\$52,000	\$50,013	\$52	\$1,976	\$1,933	\$1,435	-\$498	-25.8%
(8)	Head of Household	1	26-64	\$93,000-\$107,000	\$90,587	\$10	\$8,859	\$4,522	\$4,268	-\$254	-5.6%
(9)	Head of Household	1	26-64	\$185,000-\$215,000	\$145,602	\$0	\$52,504	\$10,131	\$9,685	-\$446	-4.4%
(10)	Head of Household	2	26-64	\$24,000-\$26,000	\$24,936	\$158	\$1,802	-\$188	-\$556	-\$368	-195.7%
(11)	Head of Household	2	26-64	\$48,000-\$52,000	\$50,482	\$67	\$1,814	\$1,913	\$1,397	-\$516	-27.0%
(12)	Head of Household	2	26-64	\$93,000-\$107,000	\$89,837	\$72	\$9,239	\$4,627	\$4,284	-\$343	-7.4%
(13)	Head of Household	2	26-64	\$185,000-\$215,000	\$134,112	\$0	\$61,516	\$10,300	\$9,746	-\$554	-5.4%
(14)	Married	1	26-64	\$24,000-\$26,000	\$25,576	\$3,284	\$186	\$105	-\$324	-\$429	-408.6%
(15)	Married	1	26-64	\$48,000-\$52,000	\$47,423	\$1,956	\$3,916	\$1,703	\$991	-\$712	-41.8%
(16)	Married	1	26-64	\$93,000-\$107,000	\$95,371	\$339	\$6,302	\$4,147	\$3,463	-\$684	-16.5%
(17)	Married	1	26-64	\$185,000-\$215,000	\$166,428	\$216	\$28,066	\$9,411	\$8,673	-\$738	-7.8%
(18)	Married	1	26-64	\$480,000-\$520,000	\$286,721	\$515	\$194,789	\$29,859	\$23,425	-\$6,434	-21.5%
(19)	Married	2	26-64	\$24,000-\$26,000	\$29,125	\$1,995	-\$2,468	-\$197	-\$608	-\$411	-208.6%
(20)	Married	2	26-64	\$48,000-\$52,000	\$48,886	\$848	\$3,598	\$1,647	\$893	-\$754	-45.8%
(21)	Married	2	26-64	\$93,000-\$107,000	\$97,992	\$148	\$5,682	\$4,291	\$3,582	-\$709	-16.5%
(22)	Married	2	26-64	\$185,000-\$215,000	\$175,795	\$58	\$23,280	\$9,377	\$8,828	-\$549	-5.9%
(23)	Married	2	26-64	\$480,000-\$520,000	\$346,643	\$163	\$149,813	\$30,330	\$24,997	-\$5,333	-17.6%
(24)	Single	0	<=25	less than \$35,000	\$15,479	\$28	-\$31	\$438	\$275	-\$163	-37.2%
(25)	Married	0	<=25	less than \$35,000	\$26,348	\$58	-\$9,341	\$395	\$84	-\$311	-78.7%
(26)	Single	0	>=65	\$24,000-\$26,000	\$6,338	\$19,389	\$24,246	\$501	\$418	-\$83	-16.6%
(27)	Single	0	>=65	\$48,000-\$52,000	\$13,138	\$18,812	\$43,266	\$1,510	\$1,533	\$23	1.5%
(28)	Single	0	>=65	\$93,000-\$107,000	\$22,648	\$19,831	\$84,804	\$4,060	\$4,104	\$44	1.1%
(29)	Single	0	>=65	\$185,000-\$215,000	\$33,652	\$22,582	\$175,137	\$10,251	\$9,972	-\$279	-2.7%
(30)	Single	0	>=65	\$480,000-\$520,000	\$37,508	\$23,893	\$470,314	\$30,973	\$26,469	-\$4,504	-14.5%
(31)	Married	0	>=65	\$24,000-\$26,000	\$9,530	\$33,381	\$26,277	\$236	\$27	-\$209	-88.6%
(32)	Married	0	>=65	\$48,000-\$52,000	\$20,962	\$31,945	\$40,878	\$1,271	\$883	-\$388	-30.5%
(33)	Married	0	>=65	\$93,000-\$107,000	\$45,619	\$28,581	\$68,224	\$3,749	\$3,092	-\$657	-17.5%
(34)	Married	0	>=65	\$185,000-\$215,000	\$78,340	\$28,816	\$139,595	\$9,383	\$8,149	-\$1,234	-13.2%
(35)	Married	0	>=65	\$480,000-\$520,000	\$154,326	\$29,912	\$377,153	\$30,023	\$25,640	-\$4,383	-14.6%

**Analysis Using Individual Return Data from Tax Year 2016.**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

Results based on average outcomes for taxpayers forecasted to meet the characteristics of the various examples listed. The 2017 federal law change is reflected in the baseline.

1. Social Security benefits includes all benefits reported by the taxpayer, not just those subject to income tax.

2. Other income includes any pension income excluded from Iowa AGI.



**Table 14. Tax Year 2024 Current Law and Proposed Law Tax Parameters**

	<i>Current Law</i>	<i>Proposed Law</i>
<b>Federal Tax Deduction</b>	Unlimited	Eliminated
<b>Personal/Dependent/Aged Credits</b>	\$40/40/20	No change
<b>Minimum Filing Thresholds</b>	\$9.0/\$13.5 K	Redefined Net Income Measure
<b>Elderly Minimum Filing Thresholds</b>	\$24/\$32 K	Redefined Net Income Measure
<b>Itemized/Standard Deduction</b>	\$2,260/\$5,560	Federal Deductions Utilized
<b>Social Security Income</b>	100% exclusion	No change
<b>Pension/Other Retirement Exclusion</b>	\$6/\$12 K	No change
<b>Iowa Capital Gains Deduction</b>	Unlimited	Eliminated
<b>Alternate Tax Threshold</b>	\$13.5 K/\$32 K elderly	Redefined Net Income Measure
<b>Alternate Tax Rate</b>	8.98%	6.50%
<b>Iowa Earned Income Tax Credit</b>	Refundable 15%	Coupling
<b>AMT and Tax Credit</b>	Allowed	Repealed
<b>Section 179 Cap and Investment Limit</b>	\$25K/\$200K	\$1.12 M/\$2.8 M
<b>Iowa 529 Plans</b>	Not Allowed for K-12	Allowed for K-12
<b>Qualified Business Income Deduction</b>	Not allowed	Allowed 100%

<i>Tax Brackets and Rates</i>						
	<i>Over</i>	<i>But Not Over</i>	<i>Current Rates</i>	<i>Over</i>	<i>But Not Over</i>	<i>Tax Rates</i>
[1]	\$0	\$1,780	0.36%	\$0	\$6,114	4.40%
[2]	\$1,780	\$3,560	0.72%	\$6,114	\$30,570	4.82%
[3]	\$3,560	\$7,120	2.43%	\$30,570	\$76,425	5.70%
[4]	\$7,120	\$16,020	4.50%	\$76,425 or more		6.50%
[5]	\$16,020	\$26,700	6.12%			
[6]	\$26,700	\$35,600	6.48%			
[7]	\$35,600	\$53,400	6.80%			
[8]	\$53,400	\$80,100	7.92%			
[9]	\$80,100	or more	8.98%			

Proposal includes additional coupling as noted in the text.

**Table 15. Estimated Change in Individual Income Tax Liability By Adjusted Gross Income Level Under HF 2489 with Proposed Amendment**

Estimates for Tax Year 2024

All Filers

Iowa Taxable Income Proposed Law	Returns Number Current	Total AGI Current	Total Tax Liability		Change in Tax Liability		
			Current	Proposed	Total	Average <sup>a</sup>	Percentage
\$10,000 or less	247,311	-4,655,482,715	-9,567,280	-7,702,631	\$1,864,649	\$8	19.5%
\$10,001 to 20,000	192,033	2,834,934,761	5,999,448	-17,669,731	-23,669,179	-123	-394.5%
\$20,001 to 30,000	171,389	4,228,761,781	65,263,515	19,593,483	-45,670,032	-266	-70.0%
\$30,001 to 40,000	161,436	5,554,596,722	142,001,128	80,938,206	-61,062,922	-378	-43.0%
\$40,001 to 50,000	140,357	6,186,609,311	195,745,730	132,697,988	-63,047,742	-449	-32.2%
\$50,001 to 60,000	114,114	6,118,806,246	209,934,453	155,961,020	-53,973,433	-473	-25.7%
\$60,001 to 70,000	91,893	5,815,840,807	204,819,967	159,349,494	-45,470,473	-495	-22.2%
\$70,001 to 80,000	77,431	5,642,974,431	202,993,941	158,995,315	-43,998,626	-568	-21.7%
\$80,001 to 90,000	66,975	5,522,769,446	202,805,220	158,697,475	-44,107,745	-659	-21.7%
\$90,001 to 100,000	59,430	5,475,211,188	205,269,139	162,685,444	-42,583,695	-717	-20.7%
\$100,001 to 125,000	115,960	12,589,472,239	487,891,443	397,551,213	-90,340,230	-779	-18.5%
\$125,001 to 150,000	77,281	10,294,603,611	408,655,825	343,882,295	-64,773,530	-838	-15.9%
\$150,001 to 175,000	48,107	7,602,319,727	307,442,735	260,927,453	-46,515,282	-967	-15.1%
\$175,001 to 200,000	30,909	5,643,713,777	229,306,048	197,081,311	-32,224,737	-1,043	-14.1%
\$200,001 to 250,000	34,743	7,552,423,964	304,548,073	264,698,168	-39,849,905	-1,147	-13.1%
\$250,001 to 500,000	44,207	14,515,376,318	597,440,080	489,457,971	-107,982,109	-2,443	-18.1%
\$500,001 to 1,000,000	14,810	9,970,605,121	344,201,546	279,354,039	-64,847,507	-4,379	-18.8%
\$1,000,001 or more	11,032	96,535,216,796	518,810,466	446,291,261	-72,519,205	-6,574	-14.0%
Composite Returns	3,123	1,004,496,200	67,242,840	53,139,381	-14,103,459	-4,516	-21.0%
<b>Totals</b>	<b>1,702,540</b>	<b>208,433,249,728</b>	<b>4,690,804,317</b>	<b>3,735,929,155</b>	<b>-\$954,875,162</b>	<b>-\$561</b>	<b>-20.4%</b>

**Analysis Using Individual Return Data from Tax Year 2016  
Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.

Note: The 2017 federal law change is reflected in the baseline.

**Table 15A. Estimated Change in Individual Income Tax Liability by Adjusted Gross Income Level Under HF 2489 with Proposed Amendment**

Estimates for Tax Year 2024

Resident Filers

Iowa Taxable Income Proposed Law	Returns Number Current	Total AGI Current	Total Tax Liability		Change in Tax Liability		
			Current	Proposed	Total	Average <sup>a</sup>	Percentage
\$10,000 or less	228,399	-\$1,937,161,119	-\$9,106,971	-\$7,671,848	\$1,435,123	\$6	15.8%
\$10,001 to 20,000	176,185	2,600,531,459	5,777,363	-17,272,813	-23,050,176	-131	-399.0%
\$20,001 to 30,000	157,291	3,879,690,135	63,220,521	18,841,470	-44,379,051	-282	-70.2%
\$30,001 to 40,000	147,893	5,086,241,859	137,382,437	78,197,378	-59,185,059	-400	-43.1%
\$40,001 to 50,000	127,954	5,637,327,191	189,094,839	128,054,403	-61,040,436	-477	-32.3%
\$50,001 to 60,000	103,327	5,537,450,303	203,050,518	150,595,141	-52,455,377	-508	-25.8%
\$60,001 to 70,000	82,188	5,198,050,216	197,628,641	153,409,034	-44,219,607	-538	-22.4%
\$70,001 to 80,000	68,555	4,992,252,734	195,538,541	152,668,632	-42,869,909	-625	-21.9%
\$80,001 to 90,000	58,931	4,855,314,410	195,278,936	152,267,559	-43,011,377	-730	-22.0%
\$90,001 to 100,000	52,163	4,802,976,190	197,976,786	156,271,703	-41,705,083	-800	-21.1%
\$100,001 to 125,000	101,271	10,991,213,387	470,193,881	381,425,717	-88,768,164	-877	-18.9%
\$125,001 to 150,000	66,728	8,886,491,985	394,054,456	330,419,115	-63,635,341	-954	-16.1%
\$150,001 to 175,000	40,657	6,428,082,221	294,979,901	249,690,395	-45,289,506	-1,114	-15.4%
\$175,001 to 200,000	25,544	4,663,330,679	219,595,422	188,389,552	-31,205,870	-1,222	-14.2%
\$200,001 to 250,000	27,461	5,969,715,124	290,868,206	252,167,391	-38,700,815	-1,409	-13.3%
\$250,001 to 500,000	31,593	10,252,099,344	564,053,388	461,261,881	-102,791,507	-3,254	-18.2%
\$500,001 to 1,000,000	8,108	5,376,199,719	315,237,347	255,545,051	-59,692,296	-7,362	-18.9%
\$1,000,001 or more	3,286	7,949,845,648	416,586,725	355,260,781	-61,325,944	-18,663	-14.7%
<b>Resident Total</b>	<b>1,507,535</b>	<b>\$101,169,651,486</b>	<b>\$4,341,410,937</b>	<b>\$3,439,520,542</b>	<b>-\$901,890,395</b>	<b>-\$598</b>	<b>-20.8%</b>
<b>Non-Residents Total</b>	<b>195,004</b>	<b>\$107,263,598,242</b>	<b>\$349,393,380</b>	<b>\$296,408,613</b>	<b>-\$52,984,767</b>	<b>-\$272</b>	<b>-15.2%</b>
<b>All Tax Filers Total</b>	<b>1,702,540</b>	<b>\$208,433,249,728</b>	<b>\$4,690,804,317</b>	<b>\$3,735,929,155</b>	<b>-\$954,875,162</b>	<b>-\$561</b>	<b>-20.4%</b>

Analysis Using Individual Return Data from Tax Year 2016

Tax Research and Program Analysis Section, Iowa Department of Revenue

a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.

Note: The 2017 federal law change is reflected in the baseline.

**Table 16. Estimated Distribution of Taxpayers Experiencing Decreases and Increases in Total Tax Liability HF 2489 with Proposed Amendment**

Estimates for Tax Year 2024

All Filers Iowa Taxable Income Proposed Law	Count of Returns by Estimated Change in Tax Liability			Estimated Change in State Income Tax and School Surtax Liability			
	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
				Total	Average	Total	Average
\$10,000 or less	87.2%	11.7%	1.1%	-\$1,862,419	-\$64	\$3,792,017	\$1,345
\$10,001 to 20,000	29.3%	68.2%	2.5%	-26,035,128	-199	1,595,947	326
\$20,001 to 30,000	8.9%	84.2%	6.9%	-50,449,729	-349	3,267,589	276
\$30,001 to 40,000	4.5%	86.1%	9.4%	-68,011,537	-489	4,897,275	323
\$40,001 to 50,000	3.8%	84.4%	11.8%	-70,944,259	-599	5,743,361	346
\$50,001 to 60,000	3.8%	81.4%	14.8%	-62,204,161	-670	6,311,029	373
\$60,001 to 70,000	3.9%	78.4%	17.7%	-53,706,450	-745	6,551,978	404
\$70,001 to 80,000	3.9%	77.8%	18.3%	-51,914,634	-862	6,243,235	441
\$80,001 to 90,000	4.0%	79.4%	16.7%	-51,306,413	-965	5,515,027	494
\$90,001 to 100,000	3.9%	81.1%	15.0%	-49,439,499	-1,026	5,217,098	585
\$100,001 to 125,000	3.8%	80.3%	16.0%	-105,589,042	-1,134	11,829,591	640
\$125,001 to 150,000	4.1%	77.7%	18.2%	-77,027,727	-1,282	9,874,967	703
\$150,001 to 175,000	4.7%	76.0%	19.2%	-56,020,138	-1,532	7,898,575	853
\$175,001 to 200,000	5.2%	72.4%	22.5%	-39,792,216	-1,779	6,466,834	931
\$200,001 to 250,000	6.9%	68.0%	25.1%	-51,411,779	-2,175	10,179,163	1,168
\$250,001 to 500,000	9.7%	73.0%	17.3%	-127,609,135	-3,957	16,206,830	2,119
\$500,001 to 1,000,000	16.6%	66.8%	16.6%	-78,386,791	-7,922	11,618,613	4,717
\$1,000,001 or more	27.5%	45.6%	26.8%	-112,438,323	-22,336	38,159,308	12,883
Composite Returns	17.8%	59.9%	22.3%	-14,167,338	-7,572	63,879	92
<b>Totals</b>	<b>20.0%</b>	<b>68.9%</b>	<b>11.2%</b>	<b>-\$1,148,316,718</b>	<b>-\$979</b>	<b>\$161,432,316</b>	<b>\$850</b>

**Analysis Using Individual Return Data from Tax Year 2016  
Tax Research and Program Analysis Section, Iowa Department of Revenue**

a. Share of Returns by Estimated Change in Tax Liability may not equal 100% due to rounding.

Note: The 2017 federal law change is reflected in the baseline.

**Table 16A. Estimated Distribution of Taxpayers Experiencing Decreases and Increases in Total Tax Liability  
HF 2489 with Proposed Amendment**

Estimates for Tax Year 2024

Resident Filers Iowa Taxable Income Proposed Law	Count of Returns by Estimated Change in Tax Liability			Estimated Change in State Income Tax and School Surtax Liability			
	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
				Total	Average	Total	Average
\$10,000 or less	86.7%	12.2%	1.1%	-\$1,780,199	-\$64	\$3,280,007	\$1,295
\$10,001 to 20,000	27.0%	70.5%	2.6%	-25,233,104	-203	1,413,050	311
\$20,001 to 30,000	6.1%	86.8%	7.1%	-48,983,802	-359	3,092,600	278
\$30,001 to 40,000	1.8%	88.6%	9.6%	-65,862,191	-503	4,625,722	326
\$40,001 to 50,000	1.2%	86.9%	11.9%	-68,563,975	-617	5,370,382	352
\$50,001 to 60,000	1.2%	84.1%	14.8%	-60,183,053	-693	5,807,975	381
\$60,001 to 70,000	1.1%	81.6%	17.3%	-51,817,622	-773	5,914,016	417
\$70,001 to 80,000	1.0%	81.5%	17.5%	-50,010,341	-895	5,467,652	455
\$80,001 to 90,000	0.9%	83.6%	15.4%	-49,347,874	-1,002	4,652,835	511
\$90,001 to 100,000	0.8%	85.8%	13.4%	-47,625,923	-1,064	4,282,183	615
\$100,001 to 125,000	0.7%	85.4%	13.9%	-101,415,590	-1,172	9,228,230	657
\$125,001 to 150,000	0.8%	83.0%	16.2%	-73,573,072	-1,328	7,558,501	701
\$150,001 to 175,000	0.8%	81.6%	17.6%	-52,996,738	-1,597	6,101,084	852
\$175,001 to 200,000	0.8%	77.7%	21.4%	-37,352,339	-1,881	5,045,824	921
\$200,001 to 250,000	1.0%	74.1%	25.0%	-48,119,387	-2,366	8,035,878	1,172
\$250,001 to 500,000	1.1%	82.4%	16.5%	-118,543,817	-4,553	12,332,114	2,362
\$500,001 to 1,000,000	1.6%	83.1%	15.3%	-70,571,234	-10,471	8,958,160	7,242
\$1,000,001 or more	1.7%	69.0%	29.2%	-91,186,168	-40,188	28,100,361	29,241
<b>Resident Total</b>	<b>17.6%</b>	<b>72.0%</b>	<b>10.4%</b>	<b>-\$1,063,166,429</b>	<b>-\$980</b>	<b>\$129,266,574</b>	<b>\$824</b>
<b>Non-Residents Total</b>	<b>38.0%</b>	<b>45.1%</b>	<b>16.9%</b>	<b>-\$85,150,289</b>	<b>-\$969</b>	<b>\$32,165,742</b>	<b>\$974</b>
<b>All Tax Filers Total</b>	<b>20.0%</b>	<b>68.9%</b>	<b>11.2%</b>	<b>-\$1,148,316,718</b>	<b>-\$979</b>	<b>\$161,432,316</b>	<b>\$850</b>

*Analysis Using Individual Return Data from Tax Year 2016  
Tax Research and Program Analysis Section, Iowa Department of Revenue*  
Note: The 2017 federal law change is reflected in the baseline.

**Table 16B. Average Estimated Change in Iowa Tax Liability for Example Taxpayers Filing Iowa Returns HF 2489 with Proposed Amendment**

Estimates for Tax Year 2024

Example Taxpayer Characteristics								Final Tax Liability			Percent Difference
Iowa Filing Status	Dependents	Age	Iowa Current AGI Group	Wages	Social Security <sup>1</sup>	Other Income <sup>2</sup>	Current Law	Proposed Law	Difference		
(1)	Single	0	26-64	\$24,000-\$26,000	\$23,418	\$857	\$2,917	\$710	\$481	-\$229	-32.3%
(2)	Single	0	26-64	\$48,000-\$52,000	\$48,933	\$232	\$3,032	\$1,963	\$1,663	-\$300	-15.3%
(3)	Single	0	26-64	\$93,000-\$107,000	\$89,372	\$226	\$11,557	\$4,412	\$4,181	-\$231	-5.2%
(4)	Single	0	26-64	\$185,000-\$215,000	\$134,180	\$588	\$63,050	\$10,247	\$9,199	-\$1,048	-10.2%
(5)	Single	0	26-64	\$480,000-\$520,000	\$231,872	\$690	\$255,080	\$30,248	\$25,689	-\$4,559	-15.1%
(6)	Head of Household	1	26-64	\$24,000-\$26,000	\$24,462	\$215	\$2,087	\$64	-\$390	-\$454	-709.4%
(7)	Head of Household	1	26-64	\$48,000-\$52,000	\$50,187	\$73	\$2,098	\$1,916	\$1,180	-\$736	-38.4%
(8)	Head of Household	1	26-64	\$93,000-\$107,000	\$91,766	\$9	\$8,134	\$4,501	\$3,833	-\$668	-14.8%
(9)	Head of Household	1	26-64	\$185,000-\$215,000	\$146,926	\$138	\$50,384	\$9,796	\$8,869	-\$927	-9.5%
(10)	Head of Household	2	26-64	\$24,000-\$26,000	\$24,837	\$201	\$2,010	-\$224	-\$715	-\$491	-219.2%
(11)	Head of Household	2	26-64	\$48,000-\$52,000	\$51,121	\$65	\$1,641	\$1,866	\$1,055	-\$811	-43.5%
(12)	Head of Household	2	26-64	\$93,000-\$107,000	\$90,909	\$104	\$9,327	\$4,626	\$3,707	-\$919	-19.9%
(13)	Head of Household	2	26-64	\$185,000-\$215,000	\$142,274	\$0	\$54,531	\$10,485	\$9,360	-\$1,125	-10.7%
(14)	Married	1	26-64	\$24,000-\$26,000	\$25,787	\$3,507	\$234	\$75	-\$371	-\$446	-594.7%
(15)	Married	1	26-64	\$48,000-\$52,000	\$48,191	\$1,835	\$3,381	\$1,692	\$818	-\$874	-51.7%
(16)	Married	1	26-64	\$93,000-\$107,000	\$96,226	\$359	\$6,146	\$4,121	\$3,209	-\$912	-22.1%
(17)	Married	1	26-64	\$185,000-\$215,000	\$168,063	\$168	\$26,723	\$9,313	\$8,233	-\$1,080	-11.6%
(18)	Married	1	26-64	\$480,000-\$520,000	\$307,848	\$289	\$175,248	\$30,357	\$22,828	-\$7,529	-24.8%
(19)	Married	2	26-64	\$24,000-\$26,000	\$28,374	\$1,612	-\$1,997	-\$229	-\$659	-\$430	-187.8%
(20)	Married	2	26-64	\$48,000-\$52,000	\$49,989	\$948	\$2,771	\$1,585	\$622	-\$963	-60.8%
(21)	Married	2	26-64	\$93,000-\$107,000	\$99,066	\$175	\$5,672	\$4,259	\$3,141	-\$1,118	-26.3%
(22)	Married	2	26-64	\$185,000-\$215,000	\$179,307	\$55	\$21,925	\$9,296	\$8,263	-\$1,033	-11.1%
(23)	Married	2	26-64	\$480,000-\$520,000	\$347,951	\$169	\$147,523	\$30,379	\$23,560	-\$6,819	-22.4%
(24)	Single	0	<=25	less than \$35,000	\$15,711	\$29	-\$14	\$443	\$241	-\$202	-45.6%
(25)	Married	0	<=25	less than \$35,000	\$26,498	\$64	-\$9,826	\$388	\$50	-\$338	-87.1%
(26)	Single	0	>=65	\$24,000-\$26,000	\$6,446	\$20,019	\$24,269	\$504	\$347	-\$157	-31.2%
(27)	Single	0	>=65	\$48,000-\$52,000	\$13,636	\$19,378	\$42,970	\$1,513	\$1,401	-\$112	-7.4%
(28)	Single	0	>=65	\$93,000-\$107,000	\$24,019	\$20,123	\$84,127	\$4,059	\$3,821	-\$238	-5.9%
(29)	Single	0	>=65	\$185,000-\$215,000	\$35,844	\$23,292	\$174,239	\$10,285	\$9,322	-\$963	-9.4%
(30)	Single	0	>=65	\$480,000-\$520,000	\$56,732	\$27,196	\$450,684	\$29,627	\$26,479	-\$3,148	-10.6%
(31)	Married	0	>=65	\$24,000-\$26,000	\$9,598	\$34,520	\$26,563	\$228	\$18	-\$210	-92.1%
(32)	Married	0	>=65	\$48,000-\$52,000	\$20,993	\$32,843	\$41,110	\$1,232	\$706	-\$526	-42.7%
(33)	Married	0	>=65	\$93,000-\$107,000	\$45,634	\$29,454	\$68,388	\$3,710	\$2,806	-\$904	-24.4%
(34)	Married	0	>=65	\$185,000-\$215,000	\$80,814	\$29,609	\$138,038	\$9,309	\$7,551	-\$1,758	-18.9%
(35)	Married	0	>=65	\$480,000-\$520,000	\$172,734	\$30,421	\$362,872	\$29,353	\$22,542	-\$6,811	-23.2%

**Analysis Using Individual Return Data from Tax Year 2016.**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

Results based on average outcomes for taxpayers forecasted to meet the characteristics of the various examples listed. The 2017 federal law change is reflected in the baseline.

1. Social Security benefits includes all benefits reported by the taxpayer, not just those subject to income tax.

2. Other income includes any pension income excluded from Iowa AGI.

**Table 17. Translation of Tax Year Individual Income Estimated Impact to Fiscal Year Estimate Under HF 2489 with Proposed Amendment**

Millions of Dollars							
<u>Tax Year Estimates</u>	TY 2018	TY 2019	TY 2020	TY 2021	TY 2022	TY 2023	TY 2024
<b>Tax Component Shares</b>							
Withholding	-1.301	-267.531	-280.623	-294.402	-309.203	-382.707	-613.984
Estimate Payments	-4.335	-28.013	-32.585	-36.000	-39.198	-26.271	-41.151
Final Payments	-26.846	-74.122	-100.310	-103.183	-104.685	-177.440	-226.205
Refunds	-11.535	-29.060	-43.684	-45.844	-50.080	-45.509	-73.535
<b>Totals</b>	<b>-\$44.016</b>	<b>-\$398.726</b>	<b>-\$457.202</b>	<b>-\$479.429</b>	<b>-\$503.165</b>	<b>-\$631.927</b>	<b>-\$954.875</b>
<b>Year-Over-Year Change</b>	NA	-\$354.709	-\$58.477	-\$22.227	-\$23.736	-\$128.761	-\$322.948
<i>School Surtax Change</i>	-\$1.761	-\$11.772	-\$13.745	-\$14.258	-\$14.796	-\$21.749	-\$32.009
Share of Taxpayers with Higher Tax Liability Under the Proposal	0.0%	4.0%	4.1%	4.0%	4.0%	16.1%	11.2%
<b>Fiscal Year Estimates</b>							
<u>Fiscal Year Estimates</u>	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Withholding	-0.078	-130.173	-273.841	-287.264	-301.536	-344.632	-494.182
Estimate Payments	-0.546	-14.406	-29.746	-33.880	-37.212	-34.299	-31.911
Final Payments	0.000	-26.414	-73.361	-99.889	-103.137	-104.661	-176.269
Refunds	0.000	-11.370	-28.809	-43.475	-45.813	-50.019	-45.574
<b>Totals</b>	<b>-\$0.624</b>	<b>-\$182.362</b>	<b>-\$405.757</b>	<b>-\$464.508</b>	<b>-\$487.698</b>	<b>-\$533.610</b>	<b>-\$747.936</b>
<b>Year-Over-Year Change</b>	NA	-\$181.738	-\$223.395	-\$58.751	-\$23.190	-\$45.913	-\$214.325

**Analysis Using Individual Return Data from Tax Year 2016**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

Translation to fiscal year based on observed payment streams of taxpayers affected by the proposed policy change.

Note: The 2017 federal law change is reflected in the baseline.

**Table 18. Estimated State Tax Year Fiscal Year Impact for Corporation Income Tax Under HF 2489 with Proposed Amendment**

Proposal includes the elimination of federal deductibility and the alternative minimum tax in tax year 2021, the elimination of the alternative minimum tax in tax year 2021, and a new tax rate table.

<b>Tax Liability Compared to Current Law</b>					
<b>Form Year</b>	<b>Change</b>	<b>Percentage Change</b>			
2020	\$0	0.00%			
2021	-\$74,520,936	-13.09%			
2022	-\$75,069,682	-12.99%			
2023	-\$77,282,488	-12.96%			
2024	-\$79,073,517	-12.94%			
2025	-\$80,193,571	-12.98%			
2026	-\$81,799,497	-13.03%			
2027	-\$82,605,104	-12.98%			

  

<b>Changes from Current Law</b>					
<b>State Fiscal Year</b>	<b>Payments</b>	<b>Refunds</b>	<b>Net Cash Change</b>	<b>Percentage Change</b>	<b>Change to Credits Carried Forward</b>
2020	\$0	\$0	\$0	0.00%	\$0
2021	-\$17,449,972	-\$54,673	-\$17,395,299	-3.13%	-\$5,530,878
2022	-\$68,309,061	-\$1,510,745	-\$66,798,316	-11.45%	-\$21,648,418
2023	-\$85,717,122	-\$6,540,393	-\$79,176,729	-13.26%	-\$27,158,217
2024	-\$89,398,189	-\$11,293,109	-\$78,105,080	-12.74%	-\$28,316,731
2025	-\$91,985,865	-\$12,887,376	-\$79,098,489	-12.62%	-\$29,124,395
2026	-\$93,595,425	-\$13,200,975	-\$80,394,450	-12.66%	-\$29,630,294
2027	-\$95,208,921	-\$13,475,227	-\$81,733,694	-12.68%	-\$30,125,065

**Analysis using data from form years 1990-2015, available as of December 2017.**

**Tax Research and Program Analysis Section, Iowa Department of Revenue**

The model uses relationships between tax liability and State fiscal year receipts and refunds to translate form year liability changes into State fiscal revenue changes.

Note: The 2017 federal tax law change is reflected in the baseline



**Table 19. Estimated Distribution of Corporation Income Taxpayers Experiencing Decreases and Increases in State Tax Liability Under HF 2489 with Proposed Amendment**

Iowa Pre-NOL Income Current Law	Share of Returns by Estimated Change in Iowa Tax Liability <sup>a</sup>			Estimated Change in State Income Tax Liability			
	Taxpayers with No Change	Taxpayers with Decrease	Taxpayers with Increase	Taxpayers with Tax Liability Decrease		Taxpayers with Tax Liability Increase	
				Total	Average	Total	Average
Zero or Unknown	56.8%	0.0%	0.1%	\$0	\$0	\$384,375	\$29,567
\$1 to \$250,000	1.7%	30.7%	4.6%	-\$2,944,590	-\$404	\$96,475	\$88
\$250,001 to \$1,000,000	0.0%	3.5%	0.1%	-\$5,604,697	-\$6,704	\$599,630	\$39,975
\$1,000,001 or More	0.0%	2.4%	0.0%	-\$75,147,697	-\$1,156,118	\$3,542,987	\$262
<b>Total</b>	<b>58.6%</b>	<b>36.6%</b>	<b>4.8%</b>	<b>-\$83,696,984</b>	<b>-\$59,192</b>	<b>\$4,623,467</b>	<b>\$316</b>

*Analysis using data from form years 1990-2015, available as of December 2017.*

*Tax Research and Program Analysis Section, Iowa Department of Revenue*

<sup>a</sup>. Sum of share of returns by estimated change in tax liability may not equal to 100% due to rounding.

**Table 20. Estimated Sales and Use Tax Impact Under HF 2489 with Proposed Amendment**

	Millions					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Digital Goods	\$11.8	\$26.2	\$28.8	\$31.1	\$33.6	\$35.6
Ride Sharing	\$3.5	\$10.8	\$13.4	\$15.5	\$17.8	\$18.7
Subscription Services	\$9.5	\$21.8	\$24.0	\$25.9	\$27.9	\$29.3
Online Sellers	\$10.2	\$24.2	\$25.2	\$26.1	\$27.0	\$27.9
Online Marketplaces	\$17.4	\$42.2	\$44.1	\$45.6	\$47.2	\$48.6
Manufacturing Definition	\$13.8	\$13.9	\$14.4	\$14.9	\$15.5	\$16.1
OTC Websites	\$0.6	\$1.4	\$1.4	\$1.5	\$1.6	\$1.7
<b>Total</b>	<b>\$66.7</b>	<b>\$140.4</b>	<b>\$151.4</b>	<b>\$160.6</b>	<b>\$170.6</b>	<b>\$177.8</b>

Source: Tax Research and Program Analysis Section, Iowa Department of Revenue

Note: Sales tax changes effective January 1, 2019 except the change in manufacturing definition that is assumed effective July 1, 2018.

Estimate includes only Statewide 6% tax or 5% State excise tax in the case of OTC Websites.

**Table 21. Forecasted Total Impact of HF 2489 with Proposed Amendment on Net Tax Revenues by Fiscal Year**

Tax Type	Millions						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Individual Income Tax Changes	-\$0.8	-\$186.0	-\$408.9	-\$471.5	-\$494.8	-\$540.7	-\$753.3
Corporation Income Tax Changes	\$0.0	\$25.6	\$20.8	\$5.2	-\$41.4	-\$48.3	-\$44.9
Income Tax Credits	\$0.6	\$4.5	\$9.1	\$11.4	\$11.6	\$9.0	\$7.1
Sales and Use (General Fund Only)	\$0.0	\$55.7	\$117.2	\$126.4	\$134.1	\$142.5	\$148.5
School Surtax Change	\$0.0	-\$1.8	-\$11.8	-\$13.7	-\$14.3	-\$14.8	-\$21.7
LOST Change	\$0.0	\$8.7	\$18.3	\$19.7	\$20.9	\$22.3	\$23.2
SAVE Transfer Change	\$0.0	\$11.0	\$23.2	\$25.0	\$26.5	\$28.2	\$29.4
<b>Total General Fund Change in Net Receipts</b>	<b>-\$0.2</b>	<b>-\$100.2</b>	<b>-\$261.7</b>	<b>-\$328.5</b>	<b>-\$390.5</b>	<b>-\$437.5</b>	<b>-\$642.6</b>

**Source: Tax Research and Program Analysis Section, Iowa Department of Revenue**

LOST change assumes all taxpayers collect local option taxes on all items considered sold at retail in the State. The above estimate does not include potential increased local hotel/motel taxes.

Individual and corporation income tax changes include coupling estimates completed outside the models.

**Table 22. Forecasted Total Impact of HF 2489 with Proposed Amendment on Net Tax Revenues by Tax Year**

Tax Type	Millions						
	TY 2018	TY 2019	TY 2020	TY 2021	TY 2022	TY 2023	TY 2024
Individual Income Tax Changes	-\$46.9	-\$402.0	-\$463.2	-\$486.5	-\$510.3	-\$639.1	-\$966.0
Corporation Income Tax Changes	\$0.0	\$22.2	\$21.2	-\$48.1	-\$44.9	-\$41.6	-\$40.4
Income Tax Credits	\$7.3	\$9.9	\$12.1	\$12.3	\$10.6	\$9.1	\$9.6
Sales and Use (General Fund Only)	\$5.7	\$114.6	\$122.3	\$130.6	\$138.7	\$145.8	\$145.0
School Surtax Change	-\$1.8	-\$11.8	-\$13.7	-\$14.3	-\$14.8	-\$21.7	-\$32.0
LOST Change	\$0.9	\$17.9	\$19.1	\$20.4	\$21.7	\$22.8	\$22.6
SAVE Transfer Change	\$1.1	\$22.7	\$24.2	\$25.8	\$27.4	\$28.8	\$28.7
<b>Total General Fund Change in Net Receipts</b>	<b>-\$33.9</b>	<b>-\$255.3</b>	<b>-\$307.6</b>	<b>-\$391.6</b>	<b>-\$405.9</b>	<b>-\$525.9</b>	<b>-\$851.9</b>

**Source: Tax Research and Program Analysis Section, Iowa Department of Revenue**

LOST change assumes all taxpayers collect local option taxes on all items considered sold at retail in the State. The above estimate does not include potential increased local hotel/motel taxes.

Individual and corporation income tax changes include coupling estimates completed outside the models.