



GOVERNOR OF IOWA
Kim Reynolds

2020 VISION FOR IOWA **Building Tomorrow's Economy Today**

Maintaining Iowa's vibrant economy and fiscal health ensures our ability to invest in things that matter most to everyday Iowans — quality education, job creation, health care and maintaining our quality of life.

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The Invest in Iowa Act will bring meaningful change to Iowans in the very first year. But more importantly, it's forward-looking and will continue to make a difference for future generations.

GOV. KIM REYNOLDS

Investing in Iowa's Future

In 2018, Governor Reynolds signed into law a historic tax cut for Iowans and a plan to modernize the state's tax structure over time. Building on that momentum, Governor Reynolds proposes to cut income taxes even further to benefit the health of our economy and Iowa families.

Implementing an additional 1-cent sales tax will increase Iowa's revenue by \$540 million, enabling the following:

- Create additional tax relief, improving Iowa's competitive position and allowing Iowa families to keep more of what they earn.
- Fully fund the Natural Resources and Outdoor Recreation Trust Fund, further improving Iowa's water quality and quality of life.
- Fully fund Iowa's Regional Mental Health System, ensuring that every Iowan has the opportunity to be healthy and well.

Expanding Tax Relief

Governor Reynolds is committed to reducing taxes to ensure that hardworking Iowans are able to keep more of their hard-earned dollars.

- Cut individual income tax by 10 percent on average in 2021.
- Lower the highest tax rate from 8.5 percent to 5.5 percent by 2023.
- Reduce the number of tax brackets from nine to eight in 2021, and further reduce to four brackets in 2023.
- Reduce property taxes by lowering the per capita county mental health levy from \$47.28 to \$12.50, resulting in lowering the maximum statewide mental health levy by \$77.1 million.
- Repeal water excise tax.
- Exempt diapers and feminine hygiene products from sales tax.
- Increase the Early Childhood Development and Child and Dependent Care tax credits by doubling the maximum net income amount for eligibility from \$45,000 to \$90,000.

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Improving Water Quality and Quality of Life

In 2010, Iowans voted to amend the constitution and create the Natural Resources and Outdoor Recreation Trust Fund with the purpose of “protecting and enhancing water quality and natural areas in this state.” To date, the trust has remained unfunded.

- 3/8 of the proposed 1-cent sales tax will provide the necessary, sustainable funding for the trust.
- \$99.5 million will be committed to water quality efforts.
- \$52.3 million will be allocated to conservation and recreation.
- Adjustments to Iowa Code Chapter 461 are proposed to acknowledge the nutrient reduction strategy as the foundation of the state’s water quality efforts, and ensure periodic reviews of the code are conducted to comply with the most current evidence-based practices and policies.

Supporting a Strong, Sustainable Mental Health System

In 2018, Governor Reynolds signed two bills into law expanding mental health services for Iowans and advancing suicide prevention. In 2019, the Governor successfully established Iowa’s first Children’s Mental Health System with overwhelming support from the Legislature.

Much progress has been made creating the foundations of these systems, but there remains work to be done to support access to quality mental health services for Iowans of all ages.

- Invest \$80+ million in state appropriations toward the mental health system to create more stability for regions and counties.
- State investment will be coupled with a statewide mental health levy cap reduction to reduce property tax burdens.
- State and regional partnership in furthering the mental health system access and quality will be a more efficient and predictable use of taxpayer dollars.

