



Iowa Department of
Revenue



Revenue
and
Finance

**Fiscal
Year
2003
Annual
Report**

Michael D. Ralston
Director



IOWA DEPARTMENT OF REVENUE

Hoover State Office Building • Des Moines, Iowa 50319

www.state.ia.us/tax

November 27, 2003

The Honorable Thomas J. Vilsack
Governor
Statehouse
Des Moines, IA 50319

The Honorable Members
General Assembly of Iowa
Statehouse
Des Moines, IA 50319

Dear Governor Vilsack and Members of the General Assembly:

On behalf of the employees of the Iowa Department of Revenue, it is my pleasure to submit the Fiscal Year 2003 Annual Report, the final report for the Iowa Department of Revenue and Finance. With the creation of the Department of Administrative Services and the transition of the State Accounting Bureau to that organization, our department returns to its original name and focus.

With attention to effective budgeting, service excellence, and value for taxpayers, the department successfully delivered on its mission of revenue collection for the State of Iowa. For the second year in a row, Iowa led the nation in electronic filing of income tax returns.

This report details the department's activities and accomplishments while administering Iowa's tax laws and Iowa's financial management operations during the fiscal year ended June 30, 2003. It also includes a brief summary of the Iowa Lottery, although the Lottery Division prepares a separate report containing comprehensive information about its financial activities.

The Iowa Department of Revenue now returns to its original mission with a renewed sense of purpose. A focus on service to taxpayers, voluntary compliance through education, enhanced revenue collection, increasing staff productivity, and facilitating the professional growth of a dedicated staff are some of our primary goals for FY 2004.

I would be remiss in not mentioning the retirement of former Director Gerald Bair, Compliance Division Co-Administrator Carl Castelda, and Special Assistant Attorney General Harry Griger, among many others. These individuals epitomized public service leadership to Iowans during their long careers with the department. On their behalf and on behalf of our staff here, thank you for the opportunity to continue to serve Iowa's citizens.

A handwritten signature in black ink that reads "Michael Ralston". The signature is written in a cursive, flowing style.

Michael Ralston
Director

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CORE FUNCTIONS

Iowa Department of Revenue and Finance

Financial Management

- Registering taxpayer
- Receiving and processing taxpayer returns and remittances
- Collecting outstanding revenues and other state debt
- Maintaining statewide accounting system and paying claims against state

Compliance

- Offering assistance and developing policy clarification to enable taxpayers to file correctly
- Auditing and examining taxpayers transactions and filing status to ensure compliance with tax laws

Internal Resource Management

- Providing information technology systems/enhancements and statistical analysis and support
- Providing human resource/budget/support of internal operations

Local Government

- Administering property tax laws and working with local officials in carrying out their duties
- Collecting and distributing local option taxes in addition to other state payments to local government

DEPARTMENT GOALS

The Iowa Department of Revenue and Finance strives to...

collect all taxes due, but no more...

- ▶ The department determines, assesses and collects revenue from 13 different state sources and three sources of local revenue taxes.
- ▶ Nearly 3.2 million documents are processed in a typical year.
- ▶ During “tax season” (January through April), the department employs more than 60 temporary workers to assist in processing 1.4 million individual income tax returns.
- ▶ The department employs 438 full-time employees in the central office and in-state field offices.
- ▶ More than 15,000 sales and use tax permits are issued every year, and approximately 8,500 withholding tax agents are registered.

conduct the Iowa Lottery to maximize revenue...

- ▶ The Iowa Lottery Board and commissioner conduct games to raise funds for state purposes.
- ▶ Lottery sales totaled \$181.3 million in Fiscal Year 2002, with more than \$48.1 million raised for worthwhile state programs.

manage the state’s financial resources...

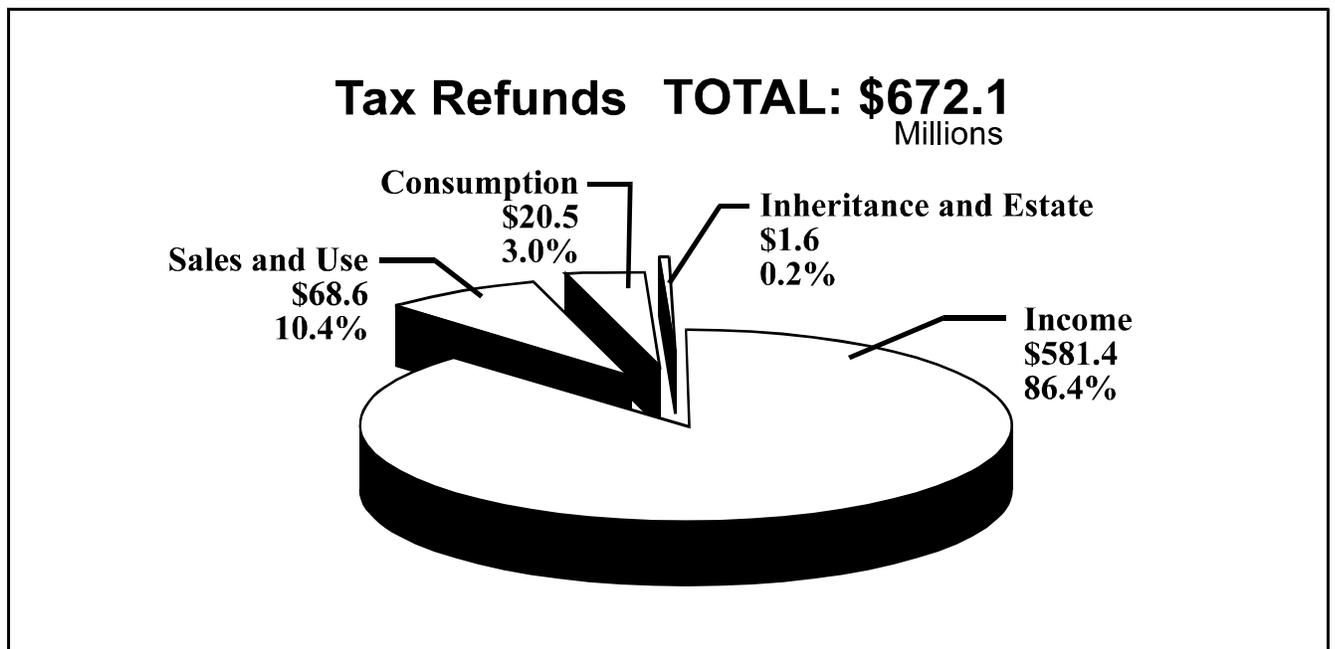
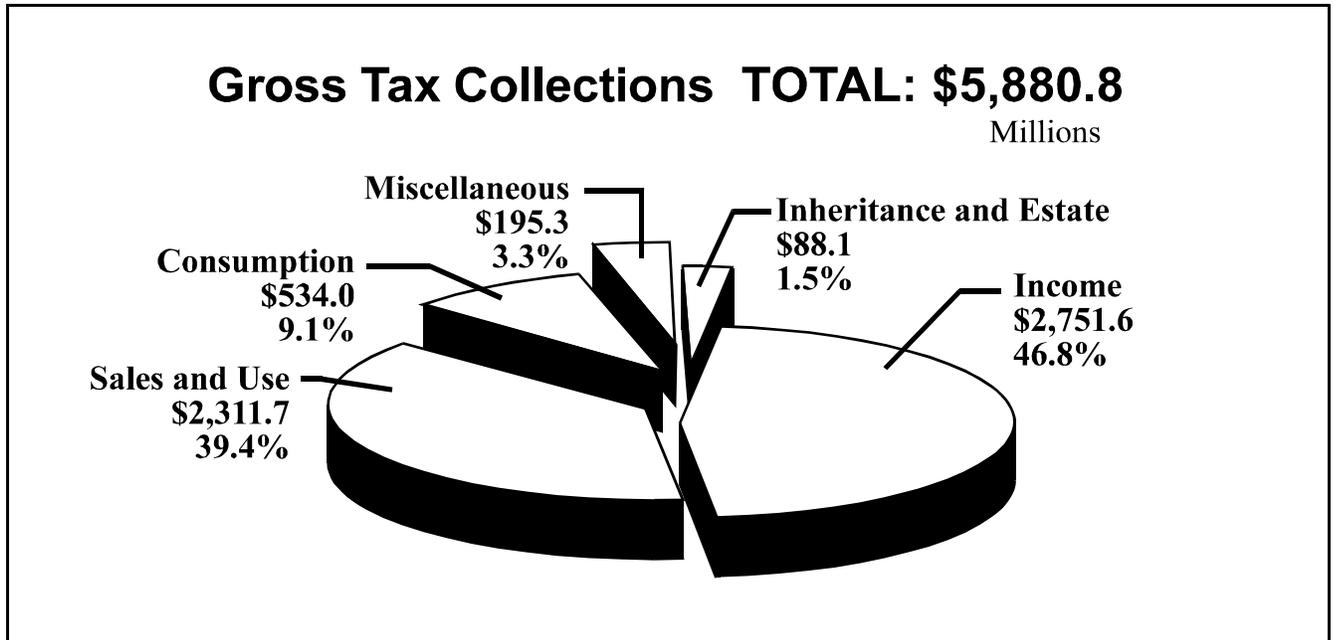
- ▶ The department annually receives, disburses and monitors billions of dollars for the State of Iowa.

educate the taxpaying public about Iowa taxes...

- ▶ Last year the Taxpayer Service Section responded to more than 1 million telephone, mail, e-mail, Internet or in-person contacts.
- ▶ Taxpayer service specialists throughout the state gave more than 350 presentations to almost 7,000 people. In addition, they contacted approximately 1,400 new businesses and local government offices and organized over 300 sessions across the state to help taxpayers WebFile their income tax returns.

GROSS TAX COLLECTIONS AND REFUNDS

Fiscal Year 2003



GROSS COLLECTIONS, REFUNDS AND NET COLLECTIONS

Fiscal Year 2003

TAXES	GROSS COLLECTIONS	REFUNDS	NET COLLECTIONS
INCOME TAXES			
Individual Income Tax	\$2,478,728,259.53	\$504,231,465.70	\$1,974,496,793.83
Corporation Income Tax	237,586,146.78	76,283,082.42	161,303,064.36
Franchise Tax	35,255,732.91	883,644.97	34,372,087.94
Total Income Taxes	\$2,751,570,139.22	\$581,398,193.09	\$2,170,171,946.13
SALES AND USE TAXES			
Sales Tax ¹	\$1,813,521,845.34	\$44,370,507.78	\$1,769,151,337.56
Use Tax	253,952,165.13	24,238,059.04	229,714,106.09
Motor Vehicle Use Tax	244,216,714.52	0.00	244,216,714.52
Total Sales and Use Taxes	\$2,311,690,724.99	\$68,608,566.82	\$2,243,082,158.17
CONSUMPTION TAXES			
Motor Vehicle Fuel Taxes ²	\$438,527,092.29	\$19,263,883.00	\$419,263,209.29
Cigarette Tax	\$88,104,902.16	1,212,383.90	\$86,892,518.26
Tobacco Tax	7,438,460.59	39,208.49	7,399,252.10
<i>Subtotal – Cigarette and Tobacco Taxes</i>	<i>95,543,362.75</i>	<i>\$1,251,592.39</i>	<i>94,291,770.36</i>
Total Consumption Taxes	\$534,070,455.04	\$20,515,475.39	\$513,554,979.65
Total Inheritance and Estate Taxes	\$88,137,862.17	\$1,566,637.73	\$86,571,224.44
MISCELLANEOUS TAXES			
Environmental Protection Charge	\$20,217,253.78	\$0.00	\$20,217,253.78
Motor Vehicle Use 25% EPC Deposit	17,000,000.00	0.00	17,000,000.00
Real Estate Transfer Tax	12,898,692.89	0.00	12,898,692.89
Hazardous Materials Permit Fees	167,850.00	0.00	167,850.00
Insurance Premium Tax	142,235,491.47	0.00	142,235,491.47
Reimbursements	526,152.08	0.00	526,152.08
Motor Vehicle Title Surcharge	1,483,444.00	0.00	1,483,444.00
Miscellaneous	821,552.97	0.00	821,552.97
Total Miscellaneous Taxes	\$195,350,437.19	\$0.00	\$195,350,437.19
GRAND TOTAL	\$5,880,819,618.61	\$672,088,873.03	\$5,208,730,745.58

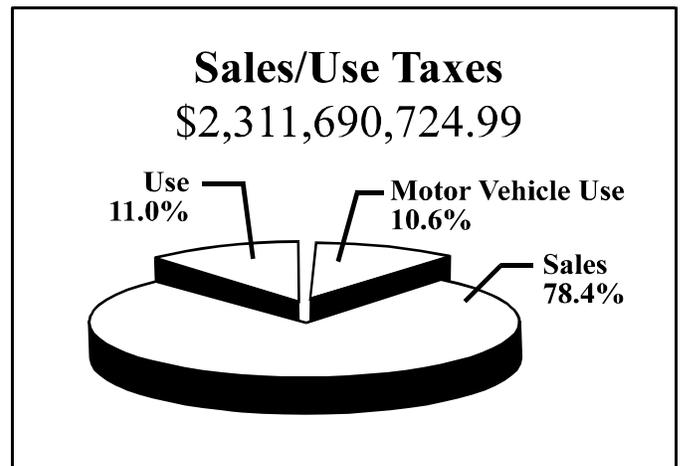
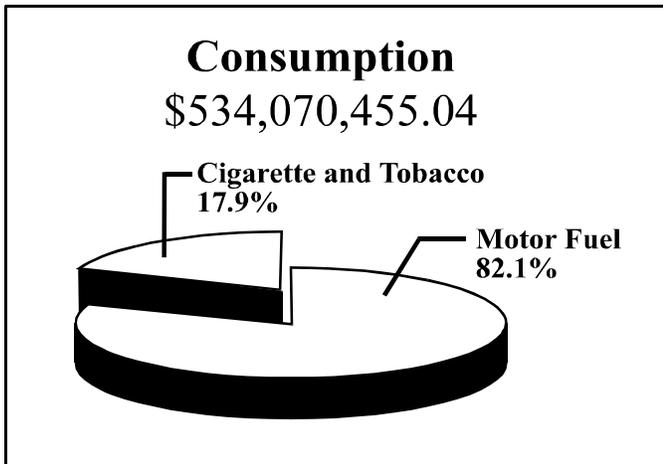
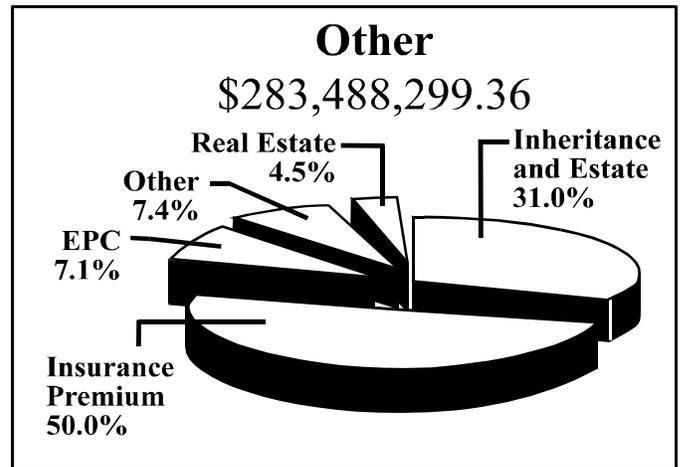
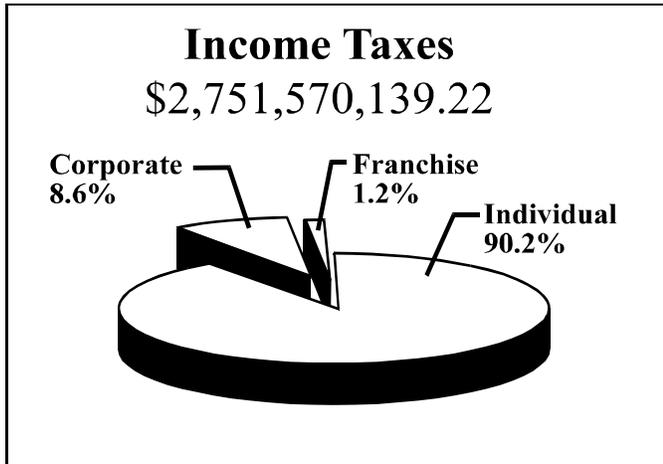
¹ Gross sales tax collections include approximately \$347.0 million in local option sales tax and hotel/motel tax collections.

² Prior years' reports provided a breakout of motor fuel taxes between motor vehicle fuel taxes and aviation fuel taxes.

Motor fuel taxes attributed to motor vehicle use and aviation use are no longer tracked separately.

REVENUE SOURCES

Fiscal Year 2003



GROSS TAX COLLECTIONS

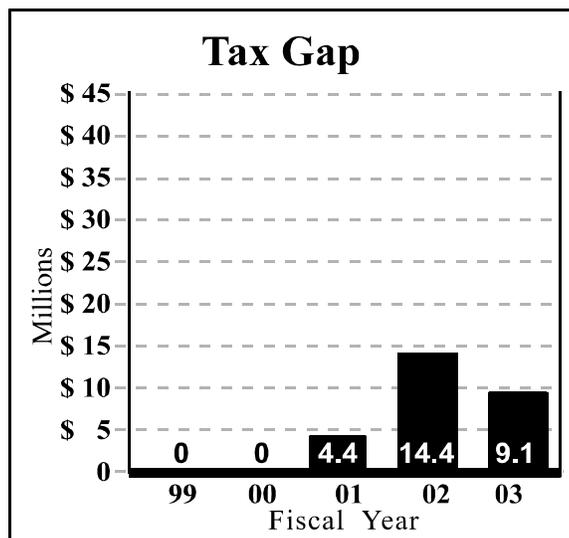
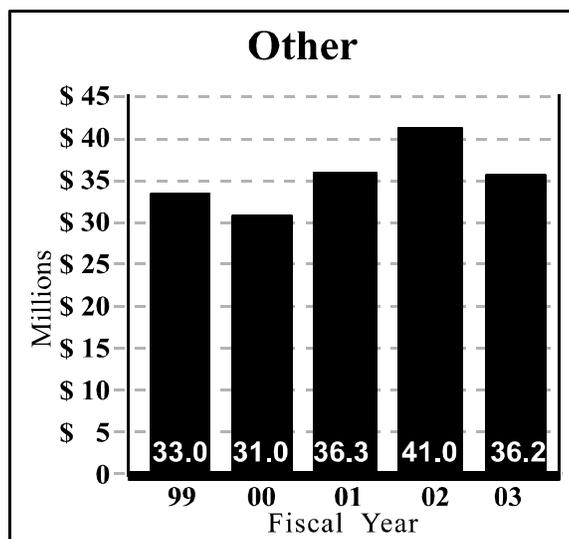
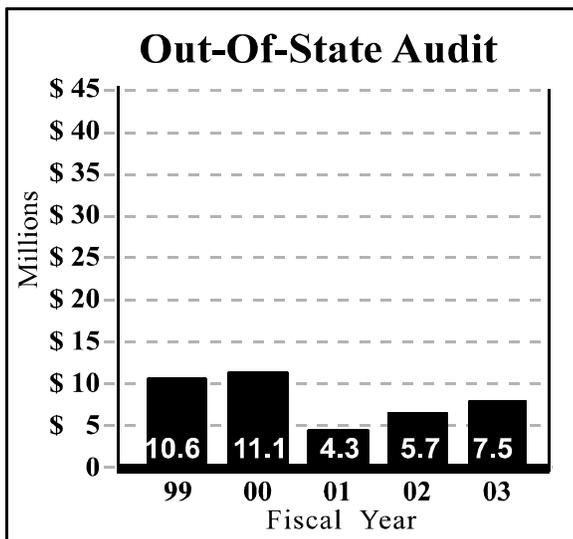
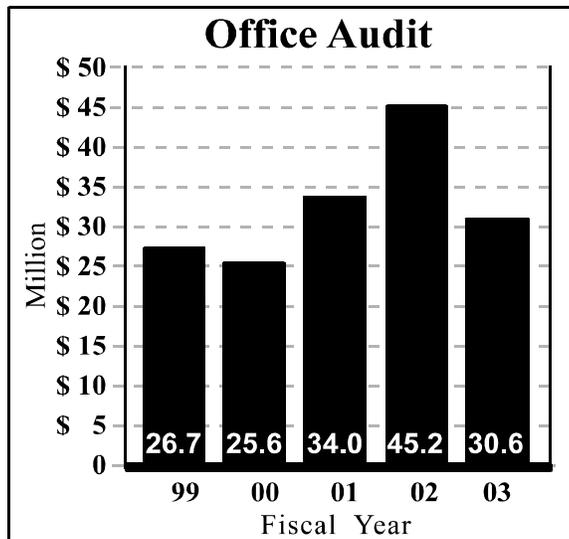
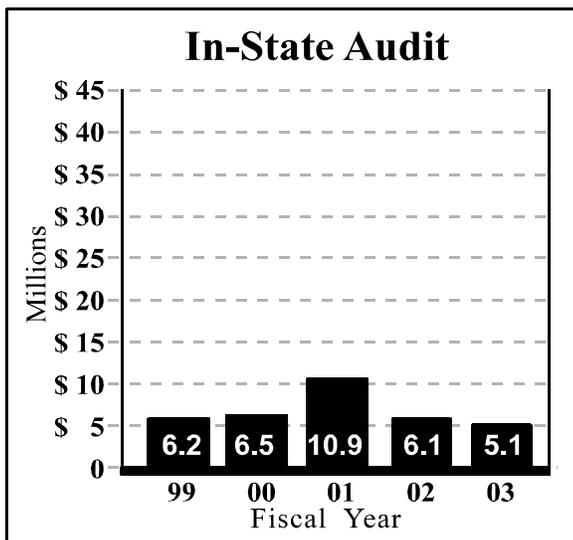
For Fiscal Years Ending June 30

TAXES	1993	1999	2000	2001	2002	2003
Individual Income	\$1,710,498,821.97	\$2,286,318,957.45	\$2,426,817,861.99	\$2,491,106,626.23	\$2,440,436,240.96	\$2,478,728,259.53
Corporation Income	224,152,113.60	322,126,772.55	326,764,046.34	286,215,987.43	228,819,399.12	237,586,146.78
Franchise	31,668,642.30	33,755,649.04	31,764,220.33	31,246,969.37	30,914,566.80	35,255,732.91
Sales	1,090,371,169.31	1,544,685,945.15	1,634,157,445.67	1,729,455,824.09	1,775,836,099.34	1,813,521,845.34
Use (includes Motor Vehicle Use and Lease taxes)	287,319,210.44	473,962,226.41	497,867,508.64	487,700,095.09	496,468,567.85	498,168,879.65
MV Fuel (includes Aviation Fuel)	350,216,514.90	429,524,565.35	435,146,468.54	446,780,146.46	412,037,338.43	438,527,092.29
Cigarette	90,670,998.02	92,323,542.16	91,051,265.18	89,562,393.53	87,993,979.19	88,104,902.16
Tobacco Products	4,008,572.82	6,530,308.66	6,637,091.97	6,658,888.47	7,087,941.04	7,438,460.59
Inheritance & Estate	76,873,076.69	90,142,858.08	114,786,401.13	104,583,710.26	100,374,243.93	88,137,862.17
EPC	16,378,477.93	19,749,797.06	19,664,219.99	19,366,764.03	19,683,875.80	20,217,253.78
MV 25% EPC Dep.¹	16,125,000.00	17,000,000.00	17,000,000.00	17,000,000.00	17,000,000.00	17,000,000.00
Real Estate Transfer	6,810,765.93	10,585,141.46	10,790,752.20	10,487,388.47	12,021,394.46	12,898,692.89
Hazardous Material	240,225.00	220,875.00	439,175.00	321,675.00	279,175.00	167,850.00
Insurance Premium	96,505,584.91	114,344,548.88	120,211,667.83	126,610,891.04	135,372,923.37	142,235,491.47
Reimbursements	403,351.19	328,846.06	243,415.98	195,037.67	463,563.50	526,152.08
MV Title Surcharge	4,955,961.00	5,521,434.00	5,746,533.45	5,431,796.48	5,609,536.60	1,483,444.00
Miscellaneous	272,052.17	886,083.90	1,009,003.08	1,066,625.70	1,282,520.67	821,552.97
GRAND TOTAL	\$4,007,470,538.18	\$5,448,007,551.21	\$5,740,097,077.32	\$5,853,790,819.32	\$5,771,681,366.06	\$5,880,819,618.61

¹ Beginning on July 1, 1995, the maximum amount of motor vehicle use tax collections available for transfer to the EPC fund was increased from \$15 million to \$17 million.

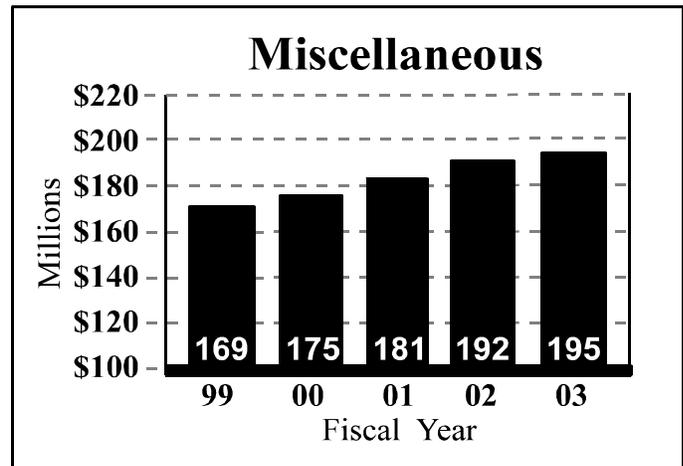
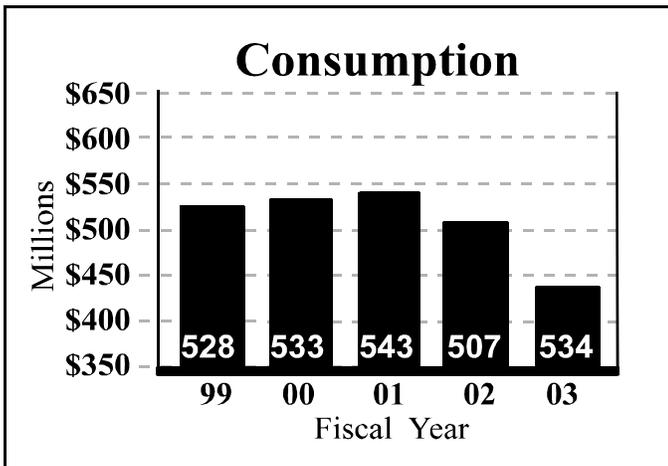
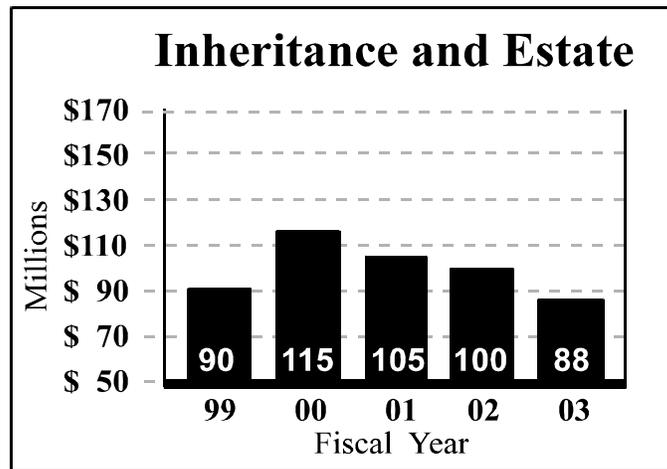
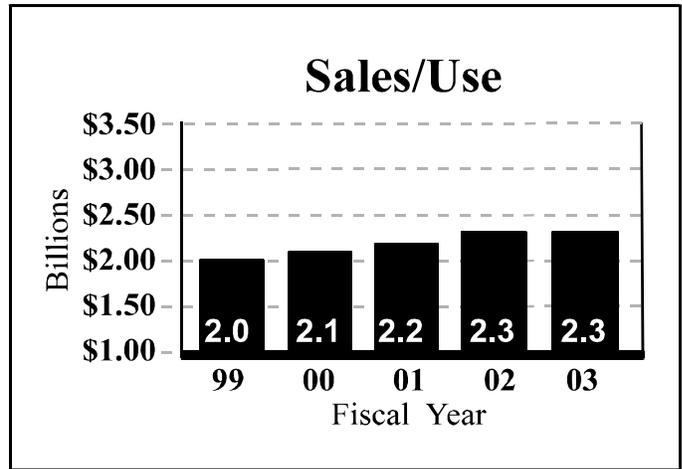
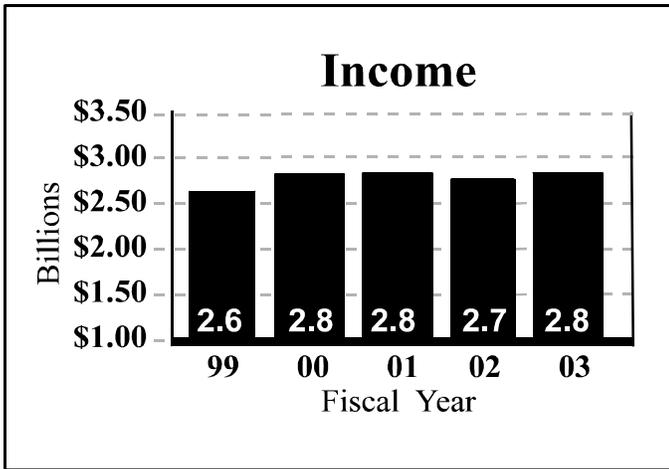
NON-COMPLIANCE COLLECTIONS

Five-Year Comparison



COLLECTIONS BY TAX TYPE

Five-Year Comparison



CENTRALIZED PAYROLL FACTS

Calendar Year 2002

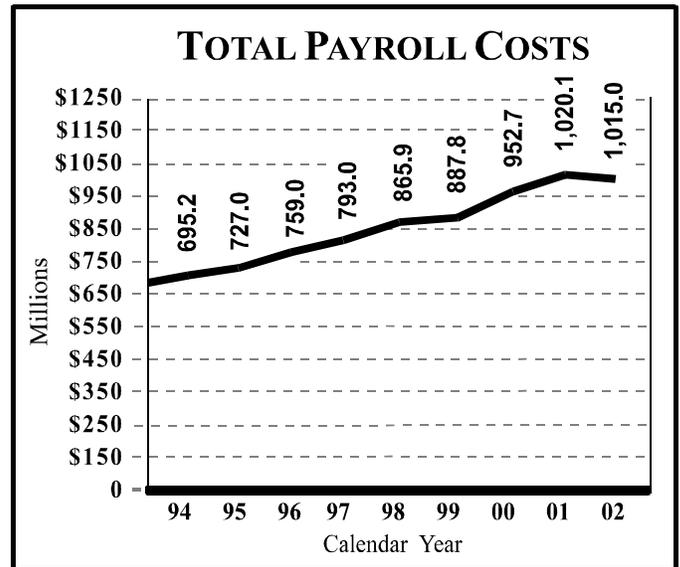
The following information excludes Board of Regents institutions and the Department of Transportation, State Fair Board and Community-Based Corrections.

Total gross payroll paid in 2002\$797.1 million
 Total state share costs for 2002 (detailed below)\$217.9 million
 Total payroll costs for Centralized Payroll in 2002 \$1,015.0 million

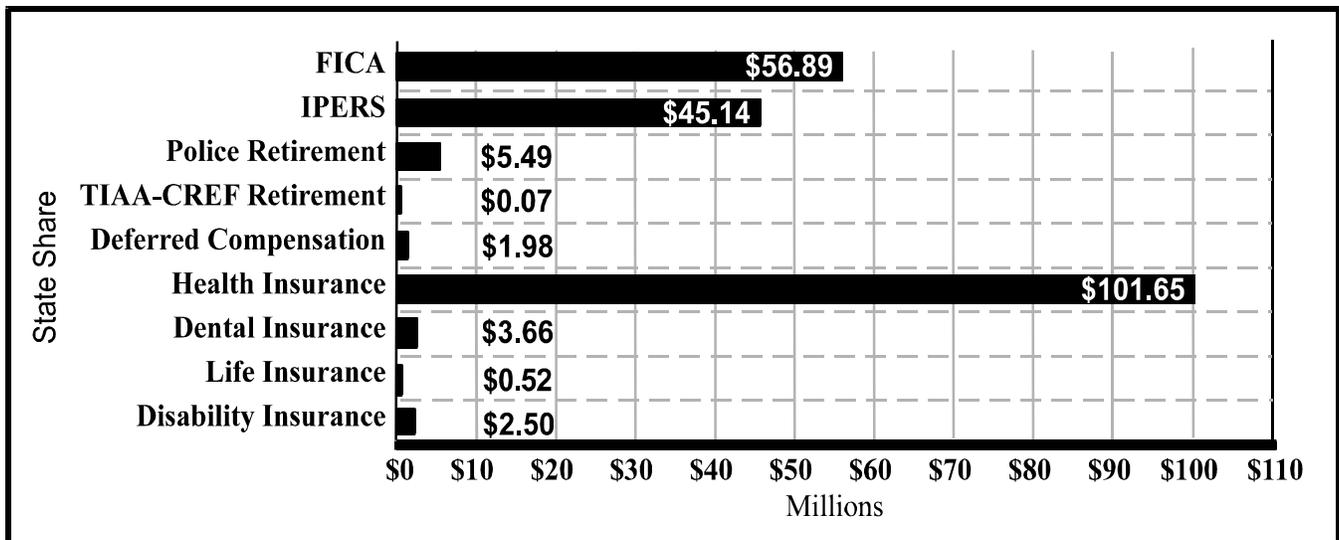
Average number
 of employees paid
 per pay period 19,326

Average percentage
 of employees utilizing
 direct deposit for payroll.. 85.4 %

TOTAL PAYROLL COSTS



TOTAL PAYROLL COSTS INCLUDE THE FOLLOWING STATE SHARES:



Accounting for and reporting these state share disbursements, as well as mandatory and discretionary employee deductions, totaling \$310.7 million, is the responsibility of the Centralized Payroll Section of the State Financial Management Division.

HOTEL/MOTEL TAX DISTRIBUTIONS*

Fiscal Year 2003

Adair.....	33,702.77	Jefferson.....	23,525.78
Algona.....	18,438.80	Johnston.....	254,477.44
Altoona.....	467,117.08	Jones County.....	240.10
Ames.....	774,344.06	Keokuk.....	186,718.49
Anamosa.....	16,376.72	LeClaire.....	83,324.94
Ankeny.....	436,951.61	Lee County.....	1,119.65
Arnolds Park.....	145,298.24	LeMars.....	93,056.36
Avoca.....	17,308.60	Maquoketa.....	33,051.59
Bellevue.....	16,670.80	Marion.....	97,253.58
Bettendorf.....	752,455.96	Marshalltown.....	189,547.96
Bondurant.....	0.00	Mason City.....	283,303.49
Boone.....	87,746.46	McGregor.....	15,154.86
Burlington.....	341,364.42	Missouri Valley.....	84,019.58
Carter Lake.....	189,343.12	Monticello.....	12,841.84
Cedar Falls.....	396,363.85	Mt. Pleasant.....	152,732.68
Cedar Rapids.....	1,986,607.05	Muscatine.....	274,653.86
Charles City.....	64,651.43	Nevada.....	11,698.20
Cherokee.....	42,528.92	Newton.....	197,823.29
Clayton County.....	2,597.60	Okoboji.....	213,554.34
Clear Lake.....	223,251.56	Osceola.....	202,212.88
Clinton.....	251,929.91	Oskaloosa.....	82,885.64
Clive.....	924,750.15	Ottumwa.....	267,685.51
Coralville.....	1,319,782.07	Pella.....	237,878.56
Council Bluffs.....	1,695,190.23	Polk County.....	220,640.20
Creston.....	34,699.00	Sergeant Bluff.....	24,753.17
Davenport.....	1,439,258.70	Shelby County.....	4,848.62
Decorah.....	211,740.31	Sheldon.....	28,613.87
Denison.....	66,015.55	Sioux Center.....	6,962.78
Des Moines.....	3,164,588.94	Sioux City.....	744,551.70
Dewitt.....	19,723.79	Spencer.....	114,555.02
Dickinson County.....	63,183.96	Spirit Lake.....	77,974.52
Dubuque.....	1,058,656.25	Storm Lake.....	61,597.13
Dyersville.....	69,030.42	Story City.....	36,053.01
Eldridge.....	37,783.19	Stuart.....	75,488.86
Elk Horn.....	8,517.43	Toledo.....	43,032.77
Evansdale.....	31,447.72	Urbandale.....	808,198.88
Fairfield.....	97,193.20	Vedic City.....	10,867.50
Forest City.....	41,183.24	Wahpeton.....	27,462.36
Fort Dodge.....	344,018.70	Walcott.....	82,623.13
Fort Madison.....	62,252.15	Waterloo.....	680,203.27
Franklin County.....	1,085.30	West Bend.....	7,369.63
Grinnell.....	53,317.40	West Des Moines.....	1,441,514.71
Guttenberg.....	13,985.06	West Union.....	24,158.85
Hamilton County.....	5,801.60	Williamsburg.....	58,702.32
Hampton.....	7,172.90	Windsor Heights.....	15,262.31
Harlan.....	8,668.94	Winterset.....	28,695.71
Indianola.....	50,360.88		
Iowa City.....	557,465.03		
Iowa County.....	240,171.73		
		GRAND TOTAL.....	\$25,514,983.74

* Listed jurisdictions are cities unless otherwise noted.

REGULAR LOCAL OPTION DISTRIBUTIONS

Fiscal Year 2003

ALLAMAKEE

Harpers Ferry	19,680.30
Lansing	63,898.76
New Albin	32,442.12
Postville	131,295.53
Unincorporated	517,579.51
Waterville	8,007.58
Waukon	254,816.46
Total Allamakee	1,027,720.26

APPANOOSE

Cincinnati	15,397.33
Exline	6,305.56
Moulton	26,887.52
Mystic	19,941.27
Plano	1,697.96
Unionville	4,132.99
Total Appanoose	74,362.62

AUDUBON

Audubon	146,902.78
Brayton	7,799.32
Exira	18,525.15
Gray	4,465.52
Kimballton	7,533.10
Unincorporated	95,879.94
Total Audubon	281,105.80

BLACK HAWK

Cedar Falls	3,530,455.05
Dunkerton	71,516.70
Elk Run Heights	96,903.13
Evansdale	410,344.74
Gilbertville	72,471.96
Hudson	203,504.41
Janesville	9,128.29
La Porte City	217,730.72
Raymond	49,285.32
Unincorporated	2,247,861.13
Waterloo	7,516,694.46
Total Black Hawk	14,425,895.91

BOONE

Beaver	3,203.39
Berkley	1,310.07
Boone	829,491.90
Boxholm	12,835.53
Fraser	7,469.59
Luther	9,142.78
Madrid	143,044.83
Ogden	116,504.67
Pilot Mound	11,773.80
Sheldahl	1,697.66
Unincorporated	685,771.64
Total Boone	1,822,245.87

BREMER

Denver	117,391.69
Frederika	12,382.23
Janesville	51,909.39
Plainfield	30,057.61
Readlyn	58,209.11
Sumner	149,856.12
Tripoli	90,647.74
Total Bremer	510,453.89

BUCHANAN

Aurora	13,683.60
Brandon	20,108.71
Fairbank	58,394.79
Hazleton	59,452.33
Jesup	165,972.18
Lamont	33,890.12
Quasqueton	36,236.91
Rowley	20,155.32
Stanley	8,770.30
Winthrop	54,395.54
Total Buchanan	471,059.80

BUENA VISTA

Albert City	60,235.76
Alta	137,732.05
Lakeside	36,988.11
Linn Grove	15,086.58
Marathon	24,194.46
Newell	67,154.38
Rembrandt	15,678.94
Sioux Rapids	55,695.26
Storm Lake	801,920.75
Truesdale	6,657.96
Unincorporated	583,019.98
Total Buena Vista	1,804,364.23

BUTLER

Allison	42,756.63
Aplington	40,103.56
Aredale	3,805.21
Bristow	7,424.77
Clarksville	56,149.38
Dumont	27,458.50
Greene	47,213.99
New Hartford	28,287.30
Parkersburg	77,827.80
Shell Rock	53,326.41
Unincorporated	322,465.72
Total Butler	706,819.26

CARROLL

Arcadia	19,089.11
Breda	18,187.70
Coon Rapids	64,638.05
Dedham	11,104.78
Halbur	8,797.16
Lanesboro	5,975.56
Lidderdale	7,910.93
Manning	72,379.84
Ralston	4,405.17
Templeton	13,828.01
Willey	3,779.40
Total Carroll	230,095.72

CASS

Anita	71,563.95
Atlantic	544,245.97
Cumberland	19,612.45
Griswold	73,781.50
Lewis	29,124.04
Marne	9,985.00
Massena	28,741.17
Unincorporated	432,890.55
Wiota	10,236.89
Total Cass	1,220,181.52

CEDAR

Bennett	20,261.02
Clarence	52,013.10
Durant	84,420.70
Lowden	40,311.65
Mechanicsville	60,573.65
Stanwood	34,377.48
Tipton	166,237.33
Unincorporated	527,111.76
West Branch	106,703.99
Total Cedar	1,092,010.68

CERRO GORDO

Clear Lake	1,210,608.57
Dougherty	11,324.03
Mason City	4,384,759.76
Meservey	35,344.92
Plymouth	57,674.40
Rock Falls	22,281.58
Rockwell	142,279.72
Swaledale	25,131.53
Thornton	60,839.77
Unincorporated	1,644,441.37
Ventura	93,812.20
Total Cerro Gordo	7,688,497.86

CHEROKEE

Aurelia	68,773.28
Cherokee	371,184.65
Cleghorn	16,341.74
Larrabee	9,216.49
Marcus	77,014.03
Meriden	11,507.52
Quimby	23,356.27
Unincorporated	400,547.07
Washta	17,180.55
Total Cherokee	995,121.58

CHICKASAW

Alta Vista	17,445.09
Bassett	4,251.70
Fredericksburg	57,530.58
Ionia	16,414.91
Lawler	28,328.02
Nashua	101,644.77
New Hampton	251,949.93
North Washington	6,977.90
Unincorporated	468,947.78
Total Chickasaw	953,490.67

CLARKE

Murray	52,023.99
Osceola	338,471.85
Unincorporated	320,145.89
Woodburn	15,596.25
Total Clarke	726,237.98

CLAY

Dickens	20,258.75
Everly	70,703.45
Fostoria	22,498.10
Gillett Grove	5,328.65
Greenville	8,881.98
Peterson	38,046.45
Rossie	5,413.55
Royal	48,771.15
Spencer	1,239,547.23
Unincorporated	609,762.57
Webb	16,430.35
Total Clay	2,085,642.23

CLAYTON

Edgewood	15,314.53
Elkader	85,624.69
Elkport	4,498.94
Farmersburg	16,240.31
Garber	5,217.65
Garnaville	44,565.08
Guttenberg	118,604.75
Littleport	1,489.68
Luana	13,323.15
Marquette	24,112.63
McGregor	49,003.89
Millville	1,141.35
Monona	87,591.52
N Buena Vista	6,343.20
Saint Olaf	7,716.46
Strawberry Point	77,396.64
Unincorporated	614,870.13
Volga	13,369.28
Total Clayton	1,186,423.88

CLINTON

Andover	6,814.00
Calamus	32,232.67
Camanche	368,082.76
Charlotte	32,581.85
Clinton	2,535,384.95
Delmar	43,368.70
DeWitt	426,571.27
Goose Lake	17,955.56
Grand Mound	52,929.58
Lost Nation	40,008.14
Low Moor	19,005.02
Toronto	10,228.05
Unincorporated	1,186,132.63
Welton	12,442.22
Wheatland	60,742.24
Total Clinton	4,844,479.64

CRAWFORD

Arion	7,319.44
Aspinwall	3,426.74
Buck Grove	2,737.86
Charter Oak	32,358.57
Deloit	15,851.63
Dension	435,789.36
Dow City	28,345.22
Kiron	15,719.87
Manilla	48,141.67
Ricketts	7,992.96
Schleswig	49,863.33
Unincorporated	460,128.05
Vail	25,433.50
Westside	19,685.88
Total Crawford	1,152,794.08

DALLAS

Bouton	11,329.49
Minburn	36,246.66
Perry	739,377.84
Redfield	72,692.58
Total Dallas	859,646.57

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REGULAR LOCAL OPTION DISTRIBUTIONS

Fiscal Year 2003

DECATUR

Davis City	10,039.11
Decatur City	7,144.71
Garden Grove	9,033.51
Grand River	8,020.43
Lamoni	95,961.20
Leon	82,254.58
LeRoy	488.08
Pleasanton	1,288.00
Unincorporated	166,796.38
Van Wert	8,324.44
Weldon	5,177.49
Total Decatur	394,527.92

DELAWARE

Colesburg	27,126.56
Delaware	10,926.38
Delhi	28,553.16
Dundee	10,152.05
Dyersville	4,602.74
Earlville	53,759.25
Edgewood	41,410.51
Greeley	16,372.88
Hopkinton	42,929.65
Manchester	332,097.25
Masonville	6,591.76
Ryan	25,358.92
Unincorporated	700,453.90
Total Delaware	1,300,335.01

DES MOINES

Burlington	3,253,809.19
Danville	90,934.25
Mediapolis	178,499.59
Middletown	23,671.74
Unincorporated	1,419,799.58
West Burlington	401,543.79
Total Des Moines	5,368,258.13

DICKINSON

Arnolds Park	176,424.64
Lake Park	139,683.46
Milford	328,564.43
Okoboji	130,381.20
Orleans	78,253.91
Spirit Lake	611,153.95
Superior	21,880.62
Terrill	52,953.67
Unincorporated	891,282.05
Wahpeton	66,045.61
West Okoboji	54,596.78
Total Dickinson	2,551,220.31

DUBUQUE

Asbury	249,272.29
Balltown	7,022.73
Bankston	2,531.16
Bernard	10,174.01
Cascade	171,285.02
Centralia	9,467.89
Dubuque	6,909,073.98
Dyersville	425,758.67
Epworth	147,240.58
Farley	144,120.78
Graf	7,250.93
Holy Cross	35,039.95
Luxemburg	26,288.84
New Vienna	42,777.28
Peosta	61,772.67
Rickardsville	18,366.93
Sageville	19,029.81
Sherrill	17,578.06
Unincorporated	2,787,715.05
Worthington	41,940.10
Zwingle	7,452.23
Total Dubuque	11,141,158.98

EMMET

Armstrong	104,905.58
Ringsted	47,090.36
Total Emmet	151,995.94

FAYETTE

Arlington	27,356.24
Clermont	37,593.69
Elgin	36,297.03
Fairbank	9,675.08
Fayette	73,946.84
Hawkeye	26,317.63
Maynard	27,898.11
Oelwein	407,581.55
Randallia	4,237.86
St. Lucas	9,352.52
Unincorporated	547,642.41
Wadena	12,518.99
Waucoma	15,820.25
West Union	149,213.43
Westgate	12,406.17
Total Fayette	1,397,857.79

FLOYD

Charles City	491,379.33
Colwell	4,323.57
Floyd	20,648.51
Marble Rock	19,827.20
Nora Springs	89,253.86
Rockford	51,576.55
Rudd	25,128.12
Unincorporated	435,284.67
Total Floyd	1,137,421.82

FRANKLIN

Alexander	8,575.74
Coulter	14,129.14
Dows	5,124.49
Geneva	9,216.26
Hampton	245,246.92
Hansell	5,245.54
Latimer	28,623.79
Popejoy	3,935.81
Sheffield	52,070.80
Unincorporated	321,155.41
Total Franklin	693,323.89

FREMONT

Farragut	29,720.20
Hamburg	75,710.90
Imogene	3,776.42
Randolph	11,807.36
Riverton	17,068.98
Shenandoah	122,370.36
Sidney	75,720.14
Tabor	53,727.39
Thurman	13,102.45
Unincorporated	279,089.10
Total Fremont	682,093.29

GRUNDY

Beaman	10,770.49
Dike	47,729.87
Grundy Center	134,497.80
Holland	11,704.15
Morrison	4,478.37
Grundy	9,877.51
Unincorporated	294,028.31
Wellsburg	34,323.43
Total Grundy	547,409.93

HAMILTON

Blairsburg	12,083.73
Ellsworth	26,730.11
Jewell	66,361.08
Kamrar	11,467.62
Randall	7,667.44
Stanhope	24,452.98
Stratford	37,273.95
Unincorporated	349,800.60
Webster City	453,592.83
Williams	21,634.54
Total Hamilton	1,011,064.89

HANCOCK

Britt	118,575.56
Corwith	19,287.71
Crystal Lake	15,136.12
Garner	169,902.83
Goodell	9,255.86
Kanawha	43,360.44
Klemme	34,567.87
Unincorporated	345,706.49
Woden	13,168.89
Total Hancock	768,961.79

HARDIN

Ackley	127,583.97
Alden	68,528.22
Buckeye	8,179.88
Eldora	233,793.38
Hubbard	63,738.94
Iowa Falls	420,124.47
New Providence	15,691.26
Owasa	2,869.12
Radcliffe	42,511.68
Steamboat Rock	25,364.24
Unincorporated	541,389.48
Union	30,350.85
Whitten	11,173.74
Total Hardin	1,591,299.22

HARRISON

Dunlap	73,381.12
Little Sioux	11,870.89
Logan	98,411.52
Magnolia	11,333.31
Missouri Valley	189,638.80
Modale	19,675.54
Mondamin	24,557.55
Persia	20,598.24
Pisgah	17,754.76
Unincorporated	208,511.55
Woodbine	93,566.61
Total Harrison	769,299.89

HENRY

Coppock	2,221.66
Hillsboro	11,861.60
Mount Union	8,006.61
Mount Pleasant	547,607.49
New London	118,227.40
Olds	14,847.02
Rome	6,343.38
Salem	26,036.07
Unincorporated	592,707.46
Wayland	59,866.28
Westwood	7,835.32
Winfield	68,069.08
Total Henry	1,463,629.37

HOWARD

Chester	8,660.33
Cresco	228,902.48
Elma	32,497.81
Lime Springs	27,642.41
Protivin	16,055.64
Riceville	15,576.99
Unincorporated	323,494.73
Total Howard	652,830.38

HUMBOLDT

Bode	21,161.49
Bradgate	6,473.01
Dakota City	58,438.60
Gilmore City	20,555.69
Hardy	3,887.78
Humboldt	306,434.17
Livermore	28,420.68
Lu Verne	2,601.90
Ottosen	4,171.59
Pioneer	1,361.80
Renwick	19,984.51
Rutland	9,154.07
Thor	11,164.26
Unincorporated	309,633.01
Total Humboldt	803,442.56

IDA

Galva	38,180.13
Total Ida	38,180.13

IOWA

Ladora	29,835.85
Marengo	269,876.04
Millersburg	18,525.14
North English	101,691.97
Parnell	22,272.48
Unincorporated	1,157,131.08
Victor	93,115.12
Williamsburg	285,669.73
Total Iowa	1,978,117.42

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REGULAR LOCAL OPTION DISTRIBUTIONS

Fiscal Year 2003

JACKSON

Andrew	25,926.08
Baldwin	7,336.01
Bellevue	149,229.80
LaMotte	16,078.85
Maquoketa	388,098.33
Miles	28,059.51
Monmouth	10,167.01
Preston	58,067.46
Sabula	39,354.38
Spragueville	5,343.68
Springbrook	10,630.94
St. Donatus	7,997.01
Unincorporated	667,253.85
Zwingle	1,005.51
Total Jackson	1,414,548.41

JEFFERSON

Batavia	34,441.18
Fairfield	721,281.34
Libertyville	22,534.15
Lockridge	18,527.50
Packwood	15,903.16
Pleasant Plain	8,609.52
Unincorporated	541,956.96
Total Jefferson	1,363,253.80

JONES

Anamosa	295,034.48
Cascade	16,556.74
Center Junction	7,268.98
Monticello	221,052.63
Morley	4,638.86
Olin	40,702.66
Onslow	11,942.27
Oxford Junction	32,193.47
Unincorporated	607,113.72
Wyoming	35,889.98
Total Jones	1,272,393.78

KOSSUTH

Algona	422,717.70
Bancroft	56,252.55
Burt	36,688.26
Fenton	21,718.43
Lakota	16,603.71
Ledyard	10,216.81
Lone Rock	10,743.29
LuVerne	18,356.87
Swea City	46,197.13
Titonka	39,715.98
Unincorporated	624,232.74
Wesley	33,285.26
West Bend	1,210.86
Whittemore	36,228.73
Total Kossuth	1,374,168.32

LEE

Donnellson	73,243.01
Fort Madison	933,901.61
Franklin	9,646.72
Houghton	11,571.13
Keokuk	1,011,494.75
Montrose	71,171.79
St. Paul	9,188.81
Unincorporated	1,289,482.22
West Point	73,698.99
Total Lee	3,483,399.03

LINN

Alburnette	32,204.06
Bertram	229,188.47
Cedar Rapids	8,216,788.98
Center Point	120,285.53
Central City	68,004.18
Coggon	43,808.16
Ely	64,090.10
Fairfax	52,796.60
Hiawatha	377,214.85
Lisbon	117,211.81
Marion	1,582,105.40
Mount Vernon	225,251.40
Palo	35,514.47
Prairieburg	146,331.96
Robins	101,423.20
Springville	61,770.01
Unincorporated	2,501,060.41
Walford	6,418.22
Walker	43,763.86
Total Linn	14,025,231.68

LUCAS

Chariton	408,123.15
Derby	9,254.03
Lucas	17,499.52
Russell	42,346.18
Williamson	11,403.20
Total Lucas	488,626.08

LYON

Alvord	9,104.68
Doon	25,870.22
George	53,594.62
Inwood	43,922.89
Larchwood	37,366.45
Lester	12,263.35
Little Rock	23,869.40
Rock Rapids	134,987.09
Unincorporated	348,638.88
Total Lyon	689,617.58

MAHASKA

Barnes City	12,374.38
Beacon	29,637.25
Eddyville	12,185.68
Fremont	45,963.00
Koemah Village	6,078.84
Leighton	9,375.82
New Sharon	79,607.44
Oskaloosa	769,999.81
Rose Hill	12,196.08
Unincorporated	680,896.40
University Park	33,648.95
Total Mahaska	1,691,963.63

MARION

Bussey	19,938.96
Hamilton	5,602.91
Harvey	21,670.89
Knoxville	0.00
Marysville	9,229.36
Melcher Dallas	119,745.24
Pella	966,131.48
Pleasantville	155,638.54
Swan	9,444.25
Unincorporated	0.00
Total Marion	1,307,401.63

MARSHALL

Albion	48,397.68
Clemons	11,674.75
Ferguson	9,977.31
Gilman	48,883.95
Haverhill	13,185.49
Laurel	21,728.75
LeGrand	70,575.36
Liscomb	0.00
Marshalltown	2,441,273.57
Melbourne	64,247.23
Rhodes	23,230.13
St. Anthony	8,624.20
State Center	110,862.20
Unincorporated	996,946.76
Total Marshall	3,869,607.39

MILLS

Emerson	19,385.23
Glenwood	229,341.89
Henderson	7,079.81
Malvern	53,106.61
Pacific Junction	19,802.29
Tabor	2,125.90
Unincorporated	341,135.55
Total Mills	671,977.27

MITCHELL

Carpenter	7,070.51
McIntire	9,309.68
Mitchell	8,406.73
Orchard	4,679.61
Osage	202,336.23
Riceville	32,424.88
St. Ansgar	62,401.05
Stacyville	26,271.37
Unincorporated	362,273.31
Total Mitchell	715,173.39

MONONA

Blencoe	12,200.84
Castana	8,846.84
Mapleton	72,599.64
Moorhead	11,868.14
Onawa	166,399.26
Rodney	3,752.99
Soldier	10,419.24
Turin	3,727.09
Unincorporated	279,869.18
Ute	19,695.26
Whiting	40,041.45
Total Monona	629,419.92

MONTGOMERY

Coburg	1,714.44
Elliott	23,189.87
Grant	5,657.50
Red Oak	403,868.97
Harvey	40,649.79
Unincorporated	271,320.41
Villisca	77,437.78
Total Montgomery	823,838.75

MUSCATINE

Atalissa	23,071.85
Conesville	34,057.34
Fruitland	56,205.91
Muscatine	2,176,670.65
Nichols	31,069.74
Stockton	15,056.63
Unincorporated	1,355,612.75
West Liberty	303,945.58
Wilton	256,058.32
Total Muscatine	4,251,748.77

O'BRIEN

Archer	7,770.17
Calumet	10,887.59
Hartley	101,386.75
Paulina	74,153.67
Primghar	55,008.45
Sanborn	83,925.01
Sheldon	326,403.83
Sutherland	42,892.76
Unincorporated	371,201.25
Total O'Brien	1,073,629.46

PAGE

Blanchard	3,236.35
Braddyville	9,315.41
Clarinda	337,005.15
Coin	13,208.16
College Springs	12,738.90
Essex	49,441.68
Hepburn	1,955.83
Northboro	3,093.33
Shambaugh	9,575.00
Shenandoah	325,557.61
Unincorporated	318,596.90
Yorktown	4,246.52
Total Page	1,087,970.85

PALO ALTO

Ayrshire	9,718.72
Curlw	3,011.94
Cylinder	5,558.22
Emmetsburg	206,244.07
Graettinger	44,754.99
Mallard	15,668.57
Rodman	2,843.00
Ruthven	37,656.26
Unincorporated	235,044.72
West Bend	40,203.63
Total Palo Alto	600,704.12

PLYMOUTH

Akron	111,040.46
Brunsville	10,618.79
Craig	7,195.60
Hinton	60,555.15
Kingsley	94,371.26
LeMars	717,486.30
Stanton	53,038.19
Oyens	9,091.28
Remsen	130,215.24
Struple	5,568.24
Westfield	12,383.64
Total Plymouth	2,060,851.51

REGULAR LOCAL OPTION DISTRIBUTIONS

Fiscal Year 2003

POCAHONTAS

Fonda	24,874.56
Gilmore City	8,673.42
Havelock	6,651.84
Laurens	56,298.86
Palmer	7,870.12
Rolfe	25,918.29
Unincorporated	162,134.52
Varina	3,293.75
Total Pocahontas	295,715.36

POLK

Polk City	2,060,366.55
Sheldahl	126,077.88
Total Polk	2,186,444.43

POTTAWATTAMIE

Avoca	159,169.17
Carson	66,544.96
Carter Lake	321,877.23
Council Bluffs	6,378,138.55
Crescent	46,495.45
Hancock	20,367.40
Macedonia	30,811.55
McClelland	12,302.32
Minden	55,254.34
Neola	81,900.01
Oakland	141,927.15
Treynor	97,376.45
Underwood	65,310.06
Unincorporated	2,478,383.99
Walnut	79,883.97
Total Pottawattamie	10,035,742.61

SCOTT

Bettendorf	3,723,494.92
Blue Grass	137,621.33
Buffalo	171,789.65
Davenport	12,695,191.19
Dixon	30,470.23
Donahue	34,237.64
Durant	4,247.40
Eldridge	495,012.24
LeClaire	343,640.32
Long Grove	66,135.00
Maysville	14,266.07
McCausland	34,825.11
New Liberty	12,722.57
Panorama Park	13,625.32
Princeton	107,499.58
Riverdale	111,890.73
Unincorporated	3,350,223.09
Walcott	181,832.37
Total Scott	21,528,724.77

SHELBY

Defiance	17,603.06
Earling	23,481.41
Elk Horn	32,350.06
Irwin	23,532.14
Kirkman	3,567.81
Portsmouth	10,793.78
Shelby	34,289.10
Tennant	3,669.77
Westphalia	7,800.17
Total Shelby	157,087.31

SIoux

Alton	83,865.55
Boyden	50,558.63
Chatsworth	5,818.38
Granville	23,384.90
Hawarden	190,375.05
Hospers	49,223.00
Hull	148,936.07
Ireton	44,427.68
Matlock	5,925.12
Maurice	17,677.41
Orange City	418,106.71
Rock Valley	200,868.72
Sheldon	5,752.59
Sioux Center	425,598.92
Unincorporated	922,380.73
Total Sioux	2,592,899.45

STORY

Ames	5,125,252.38
Cambridge	75,573.95
Collins	48,497.05
Colo	83,262.50
Gilbert	94,595.80
Huxley	221,763.59
Kelley	28,801.04
Maxwell	76,580.78
McCallsburg	31,286.65
Nevada	694,693.15
Roland	125,241.56
Sheldahl	12,957.41
Slater	134,537.14
Story City	320,152.76
Unincorporated	1,616,325.68
Zearing	58,540.07
Total Story	8,748,061.52

TAYLOR

Blockton	0.00
Clearfield	16,025.21
Gravity	7,273.71
New Market	18,465.27
Total Taylor	41,764.19

VAN BUREN

Keosauqua	105,279.11
Total Van Buren	105,279.11

WAPELLO

Agency	49,331.11
Blakesburg	28,598.07
Chillicothe	7,008.19
Eddyville	66,514.25
Eldon	76,400.98
Kirkville	15,724.56
Ottumwa	2,209,502.74
Unincorporated	1,004,467.56
Total Van Buren	3,457,547.46

WASHINGTON

Ainsworth	25,015.95
Brighton	32,841.30
Coppock	656.68
Crawfordsville	13,834.16
Kalona	118,477.23
Riverside	45,446.42
Unincorporated	508,175.44
Washington	218,316.05
Wellman	67,399.62
West Chester	7,616.35
Total Washington	1,037,779.21

WEBSTER

Badger	28,509.58
Barnum	9,056.47
Callendar	19,431.78
Clare	9,599.54
Dayton	43,081.75
Duncombe	22,218.66
Fort Dodge	1,342,842.61
Gowrie	51,041.59
Harcourt	15,405.14
Lehigh	25,061.33
Moorland	9,639.94
Otho	25,797.57
Stratford	1,101.90
Unincorporated	695,460.62
Vincent	8,757.90
Total Webster	2,307,006.39

WINNEBAGO

Buffalo Center	61,152.59
Forest City	265,117.01
Lake Mills	133,504.55
Leland	14,884.94
Rake	15,042.27
Scarville	5,445.00
Thompson	35,939.09
Unincorporated	276,754.45
Total Winnebago	807,839.91

WINNESHIEK

Calmar	78,622.28
Castalia	12,277.44
Decorah	635,954.20
Fort Atkinson	26,621.87
Jackson Junction	4,367.25
Ossian	64,496.27
Ridgeway	19,918.07
Spillville	27,650.14
Unincorporated	958,377.26
Total Winneshiek	1,828,284.77

WOODBURY

Anthon	59,525.07
Bronson	23,912.78
Correctionville	76,624.45
Cushing	22,043.14
Danbury	36,037.39
Hornick	23,117.73
Lawton	61,665.03
Moville	139,823.07
Oto	12,854.94
Pierson	34,518.85
Salix	32,964.43
Sergeant Bluff	294,699.10
Sioux City	8,824,599.70
Sloan	93,868.38
Smithland	19,640.16
Unincorporated	1,750,816.52
Total Woodbury	11,506,710.74

WORTH

Fertile	13,361.96
Grafton	10,894.48
Hanlontown	9,246.28
Joice	9,038.93
Kensett	10,730.38
Manly	51,417.65
Northwood	81,915.65
Unincorporated	175,821.14
Total Worth	362,426.47

WRIGHT

Belmond	153,763.27
Clarion	175,135.95
Dows	32,513.32
Eagle Grove	232,167.72
Galt	1,714.18
Goldfield	41,339.62
Rowan	11,952.50
Unincorporated	290,945.38
Woolstock	12,947.67
Total Wright	952,479.62

GRAND TOTAL ... \$189,448,397.40

SCHOOL LOCAL OPTION DISTRIBUTIONS

Fiscal Year 2003

BLACK HAWK

Cedar Falls	3,447,678.04
Denver	95,063.88
Dike-New Hartford	10,746.35
Dunkerton	394,473.81
Union	536,491.00
Gladbrook-Reinbeck	32,239.01
Hudson	612,707.47
Independence	0.00
Janesville	141,025.22
Jesup	105,810.27
Vinton-Shellsburg	0.00
Wapsie Valley	19,839.40
Waterloo	9,051,405.22
Waverly-Shell Rock	826.62
Black Hawk Total	14,448,306.29

ALLAMAKEE

Allamakee	575,839.12
Decorah	0.00
Eastern Allamakee	198,655.72
MFL-Mar-Mac	29,610.94
Postville	168,220.16
Allamakee Total	972,325.94

CLINTON

Wheatland	258,654.57
Camanche	492,953.90
Central Clinton	882,052.49
Clinton	2,436,904.67
Delwood	147,620.28
East Central	56,261.63
Maquoketa	1,063.57
Midland	86,679.05
Northeast	371,922.32
Preston	1,063.57
Clinton Total	4,735,176.05

DES MOINES

Burlington	3,867,394.04
Danville	342,400.29
Fort Madison	14,602.93
Mediapolis	718,310.47
Morning Sun	14,602.93
New London	14,602.93
Wapello	1,537.13
West Burlington	391,973.41
Winfield-Mt. Union	3,074.34
Des Moines Total	5,368,498.47

DICKINSON

Clay Central-Everly	5,782.35
Estherville-Lincoln-Central ..	32,766.51
Harris-Lake Park	225,799.87
Hartley-Melvin-Sanborn	0.00
Okoboji	955,722.28
Spirit Lake	1,176,125.29
Terril	143,498.08
Total Dickinson	2,539,694.38

EMMET

Armstrong-Ringsted	139,198.00
Estherville Lincoln Central ..	607,142.88
Graettinger	16,935.06
Terril	3,717.46
Emmet Total	766,993.40

FREMONT

Farragut	143,126.56
Fremont-Mills	171,896.17
Hamburg	151,243.39
Shenandoah	20,743.00
Sidney	186,912.29
Fremont Total	673,921.41

JACKSON

Andrew	134,564.69
Bellevue	261,124.17
Delwood	0.00
Dubuque	29,352.64
East Central	127,703.05
Maquoketa	582,592.76
Midland	24,396.98
Preston	128,465.45
Western Dubuque	26,684.23
Jackson Total	1,314,883.97

JONES

Anamosa	464,204.06
North Cedar	4,796.24
Lisbon	8,965.31
Midland	198,122.40
Monticello	390,009.61
Mount Vernon	4,796.24
Olin	115,036.44
Western Dubuque	51,283.09
Jones Total	1,237,213.39

LEE

Central Lee	624,270.58
Fort Madison	1,535,162.66
Harmony	31,483.84
Keokuk	1,324,161.68
Mt. Pleasant	4,752.31
Lee Total	3,519,831.07

MAHASKA

Eddyville-Blakesburg	84,198.20
Fremont	75,947.01
Lynnville-Sully	2,279.33
North Mahaska	256,651.80
Oskaloosa	1,189,624.39
Pella	88,893.62
Tri-County	5,014.51
Twin Cedars	21,425.64
Mahaska Total	1,724,034.50

MONONA

Boyer Valley	2,505.88
Charter Oak-Ute	48,758.01
East Monona	64,187.28
Maple Valley	160,414.55
West Harrison	0.00
West Monona	243,897.45
Westwood	20,047.30
Whiting	87,492.38
Woodbine	0.00
Monona Total	627,302.85

MONTGOMERY

Essex	390.40
Griswold	61,677.08
Nishna Valley	390.40
Red Oak	526,636.35
Shenandoah	0.00
Stanton	99,151.73
Villisca	134,362.30
Montgomery Total	822,608.26

MUSCATINE

Columbus	74,179.06
Davenport	50,807.59
Durant	58,428.69
Louisa-Muscatine	186,514.63
Muscatine	2,840,143.48
West Liberty	579,358.76
Wilton	401,075.01
Muscatine Total	4,190,507.22

PAGE

Clarinda	414,698.29
Essex	120,370.31
New Market	3,903.43
Red Oak	424.25
Shenandoah	433,833.68
South Page	138,741.91
Stanton	5,940.06
Villisca	8,782.79
Page Total	1,126,694.72

POLK

Ankeny	5,419,111.53
Ballard	6,324.43
Bondurant-Farrar	848,554.39
Carlisle	239,423.89
Collins-Maxwell	44,270.86
Dallas Center	943,601.24
Des Moines	29,145,929.67
Johnston	3,784,794.94
Madrid	34,332.48
North Polk	818,287.63
Prairie City-Monroe	4,517.44
Saydel	1,266,236.21
Southeast Polk	4,045,541.09
Urbandale	2,831,436.06
West Des Moines	7,930,442.33
Woodward	71,375.43
Polk Total	57,434,179.62

POTTAWATTAMIE

Atlantic	1,183.32
A-H-S-T	270,988.39
Council Bluffs	5,891,156.85
Glenwood Comm	0.00
Griswold	53,842.65
Lewis Central	1,496,234.43
Missouri Valley	71,592.99
Red Oak	1,775.05
Riverside	424,469.55
Treynor	295,897.99
Tri-Center	291,756.27
Underwood	410,920.13
Walnut	131,352.42
Pottawattamie Total	9,341,170.04

POWESHIEK

Belle Plaine	2,760.95
Brooklyn-Guernsey-Malcom ..	154,751.24
Deep River Millersburg	19,372.64
Grinnell - Newburg	372,291.06
H-L-V	20,960.20
East Marshall	0.00
Lynnville-Sully	13,344.59
Montezuma	127,118.72
North Mahaska	4,371.49
South Tama	920.32
Tri-County	2,070.72
Total Poweshiek	717,961.93

SCOTT

Bennett	64,889.31
Bettendorf	3,289,809.40
Calamus Wheatland	41,435.35
Davenport	13,412,149.61
Durant	75,052.70
North Scott	2,256,975.00
Pleasant Valley	2,416,931.02
Scott Total	21,557,242.39

SHELBY

A-H-S-T	82,906.87
Boyer Valley	4,570.78
Elk Horn-Kimballton	68,913.18
Harlan	560,201.30
IKM	79,812.82
Manning	8,086.72
Tri-Center	11,954.33
Walnut	12,657.56
Woodbine	1,406.39
Shelby Total	830,509.95

UNION

Creston	798,387.84
East Union	287,569.23
Lenox	2,671.08
Murray	2,136.87
Orient-Macksburg	0.00
Union Total	1,090,765.02

WEBSTER

Eagle Grove	20,107.67
Fort Dodge	1,748,480.47
Gilmore City-Bradgate	3,217.22
Humboldt	9,651.68
Manson-NW Webster	143,649.03
Prairie Valley	257,619.16
Southeast Webster	210,768.35
Stratford	11,260.26
Webster City	34,183.00
Webster Total	2,438,936.84

WINNESHIEK

Allamakee	17,148.85
Decorah	900,788.02
Howard-Winneshiek	115,902.60
North Winneshiek	209,689.14
Postville	62,682.07
South Winneshiek	417,072.03
Turkey Valley	118,031.46
Winneshiek Total	1,841,314.17

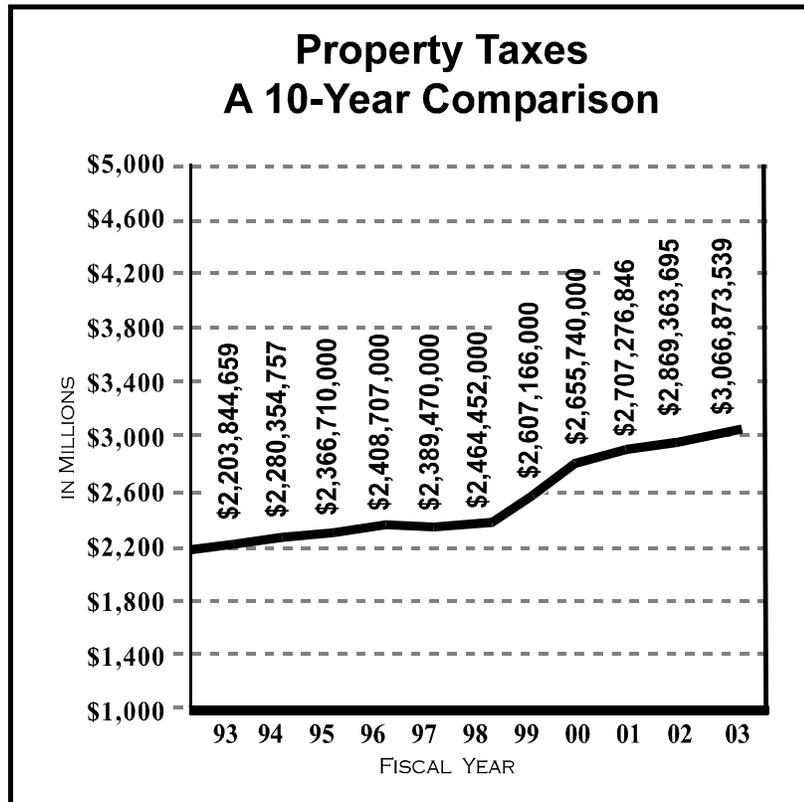
WOODBURY

Anthron-Oto	194,251.07
Battle Creek-Ida Grove	7,028.85
River Valley	187,861.22
Kingsley-Pierson	90,863.47
Lawton-Bronson	400,642.83
Maple Valley	95,847.56
Sergeant Bluff-Luton	775,087.32
Sioux City	9,132,611.69
Westwood	407,479.96
Woodbury Central	376,936.52
Woodbury Total	11,668,610.49

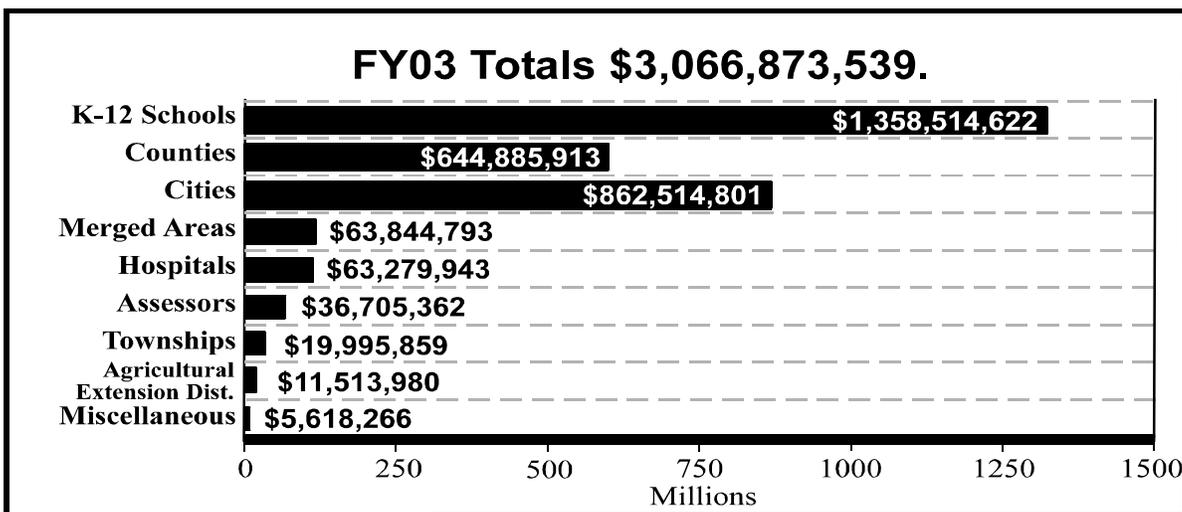
GRAND TOTAL \$150,988,682.37

PROPERTY TAXES

10-Year Comparison



FY 03 Property Tax Levied By Type of Taxing Authority



LOCAL GOVERNMENT SERVICES

FY 03 Assistance Programs

PROGRAM	DESCRIPTION	ELIGIBILITY	FILING REQUIREMENTS
<i>FY 03 Payments</i>			
Homestead Credit <i>\$105,432,214.00</i>	Originally adopted to encourage home ownership through property tax relief. The current credit is equal to the actual tax levy on the first \$4,850 of actual value.	Must own and occupy the property as a homestead on July 1 of each year, declare residency in Iowa for income tax purposes and occupy the property for at least six months each year. Persons in the military or nursing homes who do not occupy the home are also eligible.	Claim must be filed on or before July 1. Claim is allowed for successive years without further filing as long as eligible.
Disabled and Senior Citizens Property Tax Credit/Rent Reimbursement <i>\$17,149,765.00</i>	Incorporated into the Homestead Tax Law to provide property tax or rent relief to elderly homeowners and homeowners with disabilities.	Must be 65 or older or totally disabled, and have household income of less than \$17,589.	A property owner must file a claim with the county treasurer by June 1 preceding the fiscal year in which the property taxes are due. Renters must file with the Department of Revenue and Finance by June 1 to claim reimbursement for rent paid in the prior calendar year. The director or county treasurer may grant extensions of time to file.
Mobile Home Reduced Tax Rate <i>\$87,763.00</i>	Enacted as a supplement to the Disabled and Senior Citizens Property Tax Credit. The objective is to provide mobile and manufactured home owners with equivalent aid.	Must be an Iowa resident, 23 or older. Household income must be less than \$17,589.	On or before June 1 of each year, each mobile and manufactured home owner eligible for a reduced tax rate must file a claim with the county treasurer. The county treasurer or the director may grant an extension of time to file.
Special Assessment Credit <i>\$29,341.00</i>	Established in conjunction with the Disabled and Senior Citizens Property Tax Credit. The credit gives 100 percent assistance to qualified homeowners who are required to pay special assessments.	Requirements parallel those for the disabled and senior citizens property tax credit. Household income cannot exceed \$9,061.	The claimant must file a claim with the county treasurer by September 30 of each year.

Local Government Services, continued

PROGRAM	DESCRIPTION	ELIGIBILITY	FILING REQUIREMENTS
<i>FY 03 Payments</i>			
Pollution Control and Recycling Exemption	Provides an exemption for certain pollution control and recycling property.	Exemption is limited to market value of property used primarily for pollution control or recycling. Must be certified as eligible by the Department of Natural Resources.	Application must be filed with the assessor no later than February 1.
<i>exemption only</i>			
Impoundment Structures Exemption	Provides an exemption for impoundment structures and land underlying an impoundment located outside any incorporated city.	Not developed or used for nonagricultural income-producing purposes. Must be approved by Soil and Water Conservation District commissioners and the Department of Natural Resources.	Application must be filed with the assessor each year no later than February 1.
<i>exemption only</i>			
Low-Rent Housing Exemption	Provides an exemption for low-rent housing until the original housing development mortgage is paid in full or expires.	Property owned and operated by a nonprofit organization providing low-rent housing for persons at least 62 years old or the physically or mentally disabled.	Must file an application with the assessor no later than February 1. The claim is allowed on the property for successive years without further filing as long as the property is used for purposes specified in the original claim.
<i>exemption only</i>			
Ag Land Credit	Credit established to partially offset the school tax burden borne by agricultural real estate. Current law allows a credit for any general school fund tax in excess of \$5.40 per \$1,000 of assessed value.	All land used for agricultural or horticultural purposes in tracts of 10 acres or more and land of less than 10 acres if contiguous to qualifying land of 10 acres or more.	Land owners are not required to file a claim. The county auditor determines the amount of credit applicable to each tract of land.
<i>\$25,447,620.00</i>			
Computers and Industrial Machinery and Equipment Special Valuation	Computers and industrial machinery and equipment acquired after 12/31/93 are exempt from tax. If acquired prior to 1/1/94 assessed at 14% of acquisition cost in 2000, 6% in 2001, and 0% in 2002 and thereafter.	Special valuation applies to all computers but only machinery and equipment classified as industrial real estate.	Owners of industrial machinery and equipment are required to file a report with the assessor by February 15 of each year; computer owners by April 15.
<i>\$20,990,800.00</i>			

Local Government Services, continued

PROGRAM	DESCRIPTION	ELIGIBILITY	FILING REQUIREMENTS
<i>FY 03 Payments</i>			
Family Farm Land Credit <i>\$10,000,000.00</i>	Credit established to partially offset the school tax burden borne by agricultural real estate. Current law allows a credit for any general school fund tax in excess of \$5.40 per \$1,000 of assessed value.	All land used for agricultural or horticultural purposes in tracts of 10 acres or more and land of less than 10 acres if contiguous to qualifying land of more than 10 acres. The owner or designated person must be actively engaged in farming the land.	Claims filed with the assessor by November 1. Subsequent claims not required if eligible.
Natural Conservation and Wildlife Areas exemption only	Provides an exemption for recreational lakes, forest covers, rivers and streams, including banks, and open prairies as designated by the county board of supervisors.	Property cannot be used for economic gain. Must be at least two acres.	Application must be filed with the commissioners of the Soil and Water Conservation District by February 1 of the assessment year.
Forest and Fruit Tree Reservations exemption only	Provides an exemption for property established as a forest or fruit tree reservation.	Forest Reserve: Minimum of two acres, contain not less than 200 trees per acre. Fruit Tree Reserve: Not less than one nor more than 10 acres, contain at least 40 apples trees or 70 other fruit trees. Exemption 8 years for fruit tree reservations. Neither can be used for economic gain other than raising trees, nor shall livestock be permitted on the reservation. Must meet the criteria established by the Department of Natural Resources.	Application filed with assessor by February 1.
Property Tax Replacement <i>\$51,026,644.00</i>	Provides a form of revenue sharing and State payment to local jurisdictions for property tax not collected on personal property, livestock, and monies and credit.	Allocation formula varies for cities, counties, conference boards, county hospitals, and agricultural extension councils.	None
Military Exemption <i>\$2,530,254.00</i>	Reduces the taxable value of property for military veterans.	The amount of exemption varies. Must own the property on July 1 of each claim year.	A qualified veteran must file a claim with the local assessor by July 1. Subsequent claims need not be filed on the same property.
Native Prairie/Wetlands exemption only	Exemption for land preserved in its natural condition.	Cannot be used for economic gain. Must be certified by the Dept. of Natural Resources.	Application must be filed with assessor by February 1.

Local Government Services, continued

PROGRAM	DESCRIPTION	ELIGIBILITY	FILING REQUIREMENTS
<i>FY 03 Payments</i>			
Wildlife Habitat exemption only	Exemption for land used to provide wildlife refuge.	Must be classified as agricultural real estate; cannot exceed two acres, and must be certified by the Dept. of Natural Resources.	Owner must receive certification from the Department of Natural Resources, which must notify the assessor of eligibility.
Religious, Educational and Charitable Property exemption only	Exemption for property used for religious, education or charitable purposes.	Cannot be used for profit. Limited to 320 acres.	Application must be filed with assessor by February 1. No further application is needed if use remains unchanged.
Speculative Shell Buildings exemption only	Value added exemption to encourage local business development. Subject to approval by city council or county board of supervisors.	Available to community development organizations, not-for-profit cooperative associations and for-profit entities. Terminates when building is leased or sold.	Application must be filed with the assessor by February 1 for each project.
Methane Gas Conversion Property exemption only	Promotes environmental purposes.	Property must be used in connection with a publicly-owned sanitary landfill.	Application must be filed annually with the assessor by February 1.
Urban Revitalization exemption only	Value added exemption to encourage development in urban areas. Subject to approval of city council or county board of supervisors.	Must have increased the value of the property to which added by at least 10% or the percent established by local officials. The percent and the length of time over which the exemption applies varies with schedule adopted by local officials.	Application must be filed with the assessor by February 1 of the year the value is added. An extended filing deadline is provided.
Industrial Property, Research-Service Facilities, Warehouses, Distribution Centers and Cattle Facilities exemption only	Value added exemption to encourage industrial and commercial development. Subject to approval by city councils and county boards of supervisors.	Partial exemption for five years. The percent varies each year. Cattle facilities must be owner-operated.	Application must be filed with assessor by February 1 of the year the value is added.
Wind Energy Property exemption only	Promotes energy conservation. Subject to an ordinance of city councils or county boards of supervisors.	Must be used to convert wind energy to electrical energy. Exemption: 100%, first year, to 70%, last year, over 20 years.	Application must be filed with assessor by February 1 of the year the value is added.
Value-Added Agricultural Products exemption only	Promotes agricultural production.	Applies to fixtures used for cooking, refrigeration or freezing of value-added agricultural products.	No claim for exemption required.

IOWA TAX DESCRIPTIONS

As of June 30, 2003

TAX	RATE OF TAX <i>FY 03 Gross Collections</i>	DESCRIPTION	DISTRIBUTION OF FUNDS	DUE DATES OF RETURNS
Automobile Rental Tax	5% sales tax on the rental charge for certain vehicles \$2,727,181.96	This is an excise tax imposed in addition to state sales, use or local option tax on the rental of "passenger vehicles" (those designed to carry nine or fewer passengers, excluding delivery trucks, motorcycles and motorized bicycles) which are rented for a period of 60 days or less.	Road Use Tax Fund	This excise tax is to be reported and remitted on a quarterly basis. No permit other than an Iowa sales or use tax permit is required to collect this tax.
Cigarette Tax	36¢ per package of 20 45¢ per package of 25 \$88,104,902.16	The tax is imposed on the sale of cigarettes and must be paid by the person making the first sale in Iowa. Tax payment is shown by a stamp affixed to each cigarette package.	State General Fund	Tax returns must be filed by the holder of a state or manufacturer's permit or other person by the 10th day of each month for the preceding calendar month.
Corporate Income Tax	6% on first \$25,000 8% on next \$75,000 10% on next \$150,000 12% on all over \$250,000 \$237,586,146.78	The tax is imposed on the Iowa net income of corporations doing business within this state or receiving income from property in the state. For tax years on or after January 1, 1987, Iowa imposes an alternative minimum tax equal to 7.2% of Iowa tax preferences. For tax years on or after January 1, 1988, the tax is imposed on the unrelated business income of nonprofit corporations.	State General Fund	Corporation tax returns must be filed by the last day of the 4th month after the close of the tax year. Cooperatives must file a return on or before the 15th day of the 9th month following the close of the cooperative's tax year. Estimated tax payments are due from most corporations on a quarterly basis. Non-profit corporation returns with unrelated business income are due on the 15th day of the 5th month following the close of the tax year.
Drug Stamp Tax	\$5/gram of processed marijuana \$750/unprocessed marijuana plant \$250/gram of other taxable substances \$400/10 doses if not sold by weight \$116,447.00	Tax is imposed on dealers in possession of specified quantities of marijuana and other controlled substances.	State General Fund	Tax payment is required upon possession and must be evidenced by a stamp permanently affixed to the taxable substance.
Environmental Protection Charge	1¢ per gallon of petroleum products deposited in qualifying tanks \$20,217,253.78	The EPC is imposed on all deposits of petroleum products into non-exempt underground and non-exempt aboveground storage tanks in Iowa.	Iowa Comprehensive Petroleum Underground Storage Tank Fund	EPC returns must be postmarked by the last day of the month following the close of each quarter.

Iowa Tax Descriptions, continued

TAX	RATE OF TAX <i>FY 03 Gross Collections</i>	DESCRIPTION	DISTRIBUTION OF FUNDS	DUE DATES OF RETURNS
Franchise Tax	5% of taxable income \$35,255,732.91	Tax is imposed on the income of state banks, national banking associations, trust companies, federally and state chartered savings and loan associations, financial institutions chartered by the Federal Home Loan Bank Board and production credit associations. For tax years on or after January 1, 1987, Iowa imposes an alternative minimum tax equal to 3% of Iowa tax preferences.	All Franchise Tax is deposited in the State General Fund and \$8.8 million is returned to local governments on a quarterly basis as follows: 40% to counties, 60% to cities and towns.	Franchise tax returns must be filed by the last day of the 4th month after the close of the tax year. Estimated payments are due from most financial institutions on a quarterly basis. Financial institutions which have elected s-corporation status are still subject to the franchise tax and the shareholders are allowed a tax credit against their individual income tax for their share of the franchise tax paid.
Hotel/Motel Tax	May not exceed 7% \$25,514,983.74 <i>Fiscal Year 2003 Distributions</i>	Hotel/motel tax is imposed on the gross receipts from the renting of hotel or motel rooms for 31 consecutive days or less.	Local transient guest tax fund, with disbursement to the local government imposing the tax	Hotel/motel tax returns and tax are submitted with quarterly sales tax returns and are due the last day of the month following the end of each calendar quarter.
Individual Income Tax	.36% on first \$1,224 .72% on second \$1,224 2.43% on next \$2,448 4.50% on next \$6,120 6.12% on next \$7,344 6.48% on next \$6,120 6.80% on next \$12,240 7.92% on next \$18,360 8.98% on all over \$55,080 \$2,478,728,259.53	Tax is imposed on Iowa net income of individuals and estates and trusts. Individuals who have a net income of \$9,000 or more must file an Iowa income tax return. Taxpayers with a combined income of \$13,500 or less (\$9,000 or less for single taxpayers) are generally not required to pay Iowa income tax. Individuals may also be subject to the minimum tax on tax preferences and a tax on lump sum distributions from pension plans.	State General Fund	The final return and any tax owing is due by the last day of the 4th month following the close of the tax year. Individuals may be required to remit estimated tax payments quarterly. Income tax is also collected through withholding tax. Depending on the amount of tax withheld, withholding tax deposits are due annually, quarterly, monthly or semi-monthly.
Individual Income School District Surtax	Not to exceed 20% of state income tax liability. Rate is different for each school district imposing the surtax. \$46,942,604.00 <i>Calendar 2002</i>	Upon voter approval, school districts may initiate educational improvement programs where school boards may raise an additional portion of the state cost per pupil. This enrichment amount is raised through a surtax (not to exceed 20% of state income tax liability) and through an accompanying property tax.	Local school district imposing the tax	Tax is collected with the individual income tax return. Returns are due the last day of the 4th month following the end of the tax year.

Iowa Tax Descriptions, continued

TAX	RATE OF TAX	DESCRIPTION	DISTRIBUTION OF FUNDS	DUE DATES OF RETURNS
<i>FY 03 Gross Collections</i>				
Individual Income Emergency Medical Services Surtax	Up to 1% of state income tax liability. Only Appanoose County imposes this tax (at a rate of 1%). \$46,854.00 <i>Calendar 2002</i>	A county may impose the surtax by ordinance at the rate set by the board of supervisors not to exceed 1%.	County imposing the tax	Tax is collected with the individual income tax return. Returns are due the last day of the fourth month following the end of the tax year.
Inheritance and Estate Taxes	Inheritance Tax: From 1% to 15% dependent upon the amount of the inheritance and the relationship of the recipient to the decedent. Estate Tax: Amount by which the allowable federal credit for state death taxes exceeds the inheritance tax due from the estate. \$88,137,862.17	This tax is imposed on any person other than a surviving spouse, decedent's lineal ascendants, descendants and stepchildren who becomes beneficially entitled to any property or interest by any method of transfer. Administrators, executors, referees and trustees of estate transfers which are taxable may also be liable for such taxes.	State General Fund	In most instances, the return must be filed and tax paid on or before the last day of the 9th month after the death of the decedent.
Insurance Premium Tax	2% of the adjusted gross amount of premiums, assessments and fees received during the preceding calendar year. \$142,235,491.47	This tax is administered by the Commerce Department, with the Department of Revenue serving as a depositing agency for the tax receipts. The tax is imposed on the premiums of every insurance company except fraternal beneficiary associations.	State General Fund	Premium tax reports from all insurers are to be filed before March 1 of each year. Pre-payment of taxes equal to one-half of the prior year's taxes is due June 1.
Local Option Sales Tax	Not more than 1%. \$189,448,397.40 <i>Fiscal Year 2003 Distributions</i>	Tax is imposed by counties either countywide or in incorporated or unincorporated areas. Under very special circumstances it may also be imposed by a city. With a few exceptions, it is imposed on sales and services taxed under state sales tax provisions. There is no corresponding local option use tax, except for transactions involving natural gas, natural gas services, electricity, or electric service.	To local sales and service tax fund with disbursement to local jurisdictions at least quarterly.	Local option sales tax is due at the same time as the state sales tax is due.
Mobile Home Tax	20¢ per square foot. The tax decreases when the home is more than five years old (18¢) and again when the home is more than nine years old (16¢).	Tax is imposed on homes located in mobile home parks.	Collected by the County Treasurer and distributed in same manner as property taxes.	None.

Iowa Tax Descriptions, continued

TAX	RATE OF TAX	DESCRIPTION	DISTRIBUTION OF FUNDS	DUE DATES OF RETURNS
Motor Fuel Tax	Gasoline 20.1¢/gal. Ethanol Blended Gasoline 19¢/gal. Aviation Gasoline 8¢/gal. Special Fuel (diesel) 22.5¢/gal. Special Fuel (LPG) 20¢/gal. Special Fuel (aviation) 3¢/gal. Compressed Nat. Gas 16¢/100 cu.ft. \$438,527,092.29	Tax is imposed on each gallon of fuel sold in Iowa for use in motor vehicles or aircraft. This includes gasoline, diesel fuel, liquefied petroleum gas, compressed natural gas, aviation fuel and ethanol blended gasoline.	Road Use Tax Fund Aviation fuel tax receipts deposited in state aviation fund. First \$411,311 from motor fuel used in watercraft deposited in the General Fund of the state. The remainder in the Rebuild Iowa Infrastructure Fund	Tax returns are required to be filed by the licensee no later than the last day of the month following the month in which the fuel was withdrawn from the terminal or, in the case of LPG or CNG, placed into the fuel supply tank of a motor vehicle. Importers are required to file semimonthly.
Motor Vehicle Lease Tax	5 percent use tax on the lease price of certain vehicles <i>Collections included in Use Tax total</i>	The tax is imposed on the lease price of a vehicle subject to registration, that is not a motorcycle or motorized bicycle, with a gross vehicle weight rating of less than 16,000 pounds and leased for a period of 12 months or more by a lessor licensed under Iowa Code chapter 321F.	Road Use Tax Fund	Tax is reported and paid by the owner of the vehicle to the county treasurer or Department of Transportation at the time of registering or titling the vehicle. If this is not required, the tax must be paid by the owner to the Department of Revenue and Finance on or before 15 days from the last day of the month that the tax became due.
Property Tax Levied Prior to Credits	Differs in each locality and is a composite of county, city, school district and special levies. Taxes are levied in terms of dollars per \$1,000 of taxable value and are collected locally. \$3,066,873,529.00 <i>estimated</i>	Property tax is levied on the taxable value of real property. The taxable value may be a percentage of the assessed value as a result of statewide limitations for allowable growth. The assessed value is 100% of market value, except for agricultural realty assessed according to its productivity.	Local jurisdictions	The tax may be paid in two installments, the first of which becomes delinquent on October 1 and the second of which becomes delinquent on April 1.

Iowa Tax Descriptions, continued

TAX	RATE OF TAX	DESCRIPTION	DISTRIBUTION OF FUNDS	DUE DATES OF RETURNS
Real Estate Transfer Tax	80¢ for each \$500 or fractional part of \$500 in excess of \$500 paid for the real property transferred. \$12,898,692.89	The tax is imposed on the transfer of real estate. Tax payment is noted on the instrument of transfer at the time the instrument is recorded.	17.25% of the tax receipts are retained by the county. Of the remaining 82.75%, 95% goes in the State General Fund, 5% in the Shelter Assistance Fund.	Tax is payable when the deed or other instrument conveying the real property is presented for recording. Tax returns must be filed with the State Treasurer by the county recorder by the 10th day of each month for tax collected during the preceding month.
School Infrastructure Local Option Sales Tax	Not more than 1%. \$150,988,682.37 <i>Fiscal Year 2003 Distributions</i>	Tax is imposed countywide. With a few exceptions, it is imposed on sales and services taxed under state sales tax regular local option tax provisions. There is no corresponding use tax.	To local sales and service tax fund with disbursement to local school districts monthly.	Local option sales tax is due at the same time as the state sales tax is due.
State Sales Tax	5% \$1,813,521,845.34 <i>This figure includes both Hotel/Motel and Local Option Taxes</i>	The tax is imposed on gross receipts from all sales of tangible personal property and enumerated services. Certain exceptions are provided, including exemption of the sales of certain foods, prescription drugs, medical devices, and farm and industrial machinery, equipment and computers.	State General Fund	Depending on the amount of tax collected, a deposit and returns are due annually, quarterly, monthly or semi-monthly.
Tobacco Products Tax	22% of the wholesale sales price of the tobacco products. \$7,438,460.59	Tax is imposed on the sale of all tobacco products, except cigarettes and little cigars, which are taxed differently.	State General Fund	Distributors or certain consumers are required to file tax returns by the 20th day of each month for the preceding calendar month.
Use Tax	5% <i>Use Tax: \$253,952,165.13</i> <i>MV Use Tax: \$244,216,714.52</i>	Use tax includes: (1) The 5% excise tax collected by out-of-state based firms making sales of tangible personal property or certain services purchased for use in Iowa. (2) The 5% excise tax on goods or services purchased tax free by consumers and subsequently used in Iowa. (3) The 5% excise tax collected by Iowa county treasurers or the Iowa Department of Transportation on vehicles subject to registration.	Revenue derived from use tax on vehicles subject to registration is deposited in various special funds. The remainder is credited to the State General Fund.	(1) Returns from out-of-state firms must be filed on or before the last day of the month following the close of the calendar quarter. Retail use tax permit holders collecting more than \$1,500 per month are required to file on a monthly basis. (2) Returns for goods and services purchased tax free must be filed on or before the last day of the month following the close of the calendar quarter. (3) Reports and remittance from county treasurers on vehicles subject to registration must be filed on or before the 10th day of the month following the month of collection.

SUPPLEMENTAL REPORTS

Published in accordance with Iowa Code section 422.75(28)

Report on Information System Activity - FY 2003

Integrated Revenue Information System (IRIS)

Local Option Reconciliation/Local Option Warrants – The department’s efforts to integrate the sales and related taxes into IRIS project involved the development of a process to reconcile local option and school infrastructure local option tax receipts and distributions. This development was completed in FY 03. This new application has improved data accuracy, reduced data input and update time, and with the addition of redundancies to spot inaccuracies, has ensured correct distributions to the local governments. A final part of the Business Tax Project, also completed in FY 03, was the automating of the warrant writing processes for local option, school local option and hotel/motel.

Filing Frequency Changes – Based on legislation passed in the 2002 session, the department during FY 03 adjusted the filing frequencies of over 26,000 sales tax permit holders and over 28,000 withholding registrants. The project involved analyzing filing histories for all active taxpayers, determining where to adjust filing thresholds to remain fiscally neutral, notifying taxpayers, adjusting where necessary and modifying our internal systems for mailing and processing purposes. The goals of the project to decrease the total number of transactions taxpayers are required to file, while at the same time increasing the number of electronic transactions were met.

Streamlined Sales Tax – Legislation to allow Iowa to participate in planning the national streamlined sales tax was passed in 2002. Legislation allowing Iowa to *implement* streamlined sales tax provisions was passed during the 2003 legislative session. Although some design decisions were made in FY 03, addressing policy and administrative issues was the primary activity. All indicators point to a July 1, 2004, implementation date, so the bulk of the design and development work needs to be completed during FY 04.

Tax Gap

The agency’s effort to improve tax compliance under what is known as the *Tax Gap Program* continued to require extensive technology support. Among the accomplishments in FY 03 was the completion of the tasks involved in migrating data from the legacy applications (such as IRIS) to the department’s data warehouse platform. While the process will continue to evolve as additional data sources are identified for utilization, the primary effort for establishing migration and interface routines was completed in FY 03.

Also completed in FY 03 was a second major part of the larger Tax Gap project – automating the movement of audit results into IRIS, as well as automating the issuance of billings and refunds resulting from these audits. Completing this circle provides internal users with a complete picture of taxpayer activity, which will result in more accurate future audit candidate selection.

Supplemental Reports, continued

E-Service Delivery

The agency continued to emphasize the use of electronic service delivery for many of its services. FY 03 saw the continued expansion of utilization of several important electronic services and the evaluation and planning of other future activities. These included:

- * A 17% increase in the number of electronically-filed income tax returns. As the result of the support of various methods of electronic filing, Iowa once again led the nation in the percentage of individual income tax returns filed electronically.
- * The expansion of opportunities for customers to remit tax via credit card. Supported by Web and telephone-based interfaces, this credit card payment process was used to remit nearly \$1.2 million in this year of expansion.
- * Several existing Web-based applications were enhanced, and the department completed a new application to allow contractors to register for exempt status when performing work under government contract.
- * Initiation of planning for electronic reporting of sales and related business taxes was begun. Substantial effort leading to possible implementation during FY 04 is planned.

Compliance Report

Despite dwindling resources due to budget reductions, the department has moved forward to improve compliance through technological improvements, accessibility to information, and improved systems. These have improved our service to customers, improved knowledge transfer to customers, and improved enforcement programs which identify noncompliance.

Customers have more access to information through 24/7 self-help options, which ultimately free employees to be more responsive to customers with more difficult questions or issues.

In Taxpayer Services, department personnel responded to 135,000 phone calls, a 10 percent decrease from last year. The busy signal rate was reduced by 6 percent from last year. Seven thousand two hundred people attended educational presentations by agency staff. In addition, staff responded to 18,000 e-mails, compared to 15,500 from last year, a 16 percent increase.

With the development and implementation of an enterprise data warehousing system, the department has been able to improve its detection of noncompliance in all tax areas. Compliance programs range from discovering non-filers for individual and corporate income tax to auditing large multi-state corporations doing business in Iowa for corporate income and sales and use taxes. Our primary emphasis has been detecting non-filers.

These programs generated a total of \$69.7 million in collections and refund reductions. Of this, office examination programs generated \$20.6 million in collections. In-state field auditing of Iowa businesses generated \$5.1 million in collections, and out-of-state auditing of multi-state businesses generated \$7.5 million in collections. The agency's Tax Gap Project generated \$9.2 million in collections from data warehousing technology. The balance is a reduction in refunds claimed as a result of an office exam or field audit.

Supplemental Reports, continued

Individual Income Tax Abatements — Calendar 2002

The director of the Department of Revenue and Finance is provided with the statutory authority “to abate any portion of tax, interest or penalties which he determines are excessive in amount, or erroneously or illegally assessed.” Abatements apply to those cases in which the initial protest occurs after the 60-day appeal period has expired and in which the taxpayer produces records substantiating the claim to reduced tax liability.

The table below summarizes the individual income tax abatements allowed in calendar 2002:

Number of Returns	Tax	Penalty (includes fees)	Interest	Total Amounts
2,832	\$4,074,208.91	\$353,663.16	\$1,534,239.25	\$5,962,111.32

Tax Gap

The Tax Gap supplemental report is published in accordance with Iowa Code section 421.17(22A). “The director shall report annually to the legislative fiscal bureau and the chairpersons and ranking members of the ways and means committees on the amount of costs incurred and paid during the previous fiscal year pursuant to this subsection.”

The Tax Gap project is a compliance initiative targeting the promotion of voluntary tax compliance, improved processes, and increased tax revenues. The Tax Gap project consists of four major components: Enterprise Data Warehouse, Data Warehouse Query tools, Web-Based Audit Component application, and automated Interface programs.

Enterprise Data Warehouse (EDW): The EDW serves as a repository for multiple internal and external data sources. These data source systems are utilized to develop unique match programs to identify tax non-compliance programs. The EDW also supports a number of data interface programs to automate the movement of data to other agency legacy systems.

The enterprise data warehouse model contains over 2,550 data elements from ten major source systems.

During FY 03, the department implemented five new and refreshed audit programs, generating over 22,000 audit leads for individual and corporation income tax, sales tax, retailer’s use tax, and consumer use tax. Associated with the new and refreshed audit programs generated from the EDW, the Tax Gap project generated \$9,057,265 in additional tax revenues in FY 03. The project has generated \$28.7 million through FY 03.

Data Warehouse Query Tools: Through the implementation of data warehouse query tools and development of over 30 unique reports, value added data were deployed to the business users to provide them with the data they need to support audit activities and improve efficiency. A number of management and analysis reports were also developed to support a variety of measurements and answer key business questions.

Audit Component: Implemented and deployed a customized Web-based application to support the tracking, performance and reporting of all audit and examination activities and results.

Interface Programs: Key audit activity events for each audit trigger movement of data from the Audit Component application to the data warehouse. From the data warehouse, audit data moves electronically to the department’s integrated tax system, Information Revenue Integrated System (IRIS). Upon the final status events for each audit in IRIS, a daily refresh of data is automatically sent from IRIS to the data warehouse. Final audit result data then move from the data warehouse to the Audit Component for final status updating of each audit.

HISTORY OF IOWA TAX RATES

The first major state tax in Iowa was created in 1921 when the state passed a 2¢ per package tax on cigarettes. In 1934 the sales and income taxes were created as property tax relief measures. Since that time several significant changes have occurred, both in the tax base and in the tax rates of Iowa's major revenue sources.

While certain changes in a particular tax base may be of equal or greater importance than changes in the tax rate, the history of the key developments in a particular tax may often be identified through an examination of tax rate changes. Additional information regarding these changes may be obtained by contacting the Tax Research and Program Analysis Section of the Director's Office.

Individual Income Tax

1934	tax enacted at	1% – 5%	1967	rate changed to	.75% – 5.25%
1953	rate changed to	.75% – 3.75%	1971	rate changed to	.75% – 7%
1955	rate changed to	.8% – 4%	1975	rate changed to	.5% – 13%
1957	rate changed to	.75% – 3.75%	1987	rate changed to	.4% – 9.98%
1965	rate changed to	.75% – 4.50%	1998	rate changed to	.36% – 8.98%

Corporation Income Tax

1934	tax enacted at	2%	1965	rate changed to	4%
1955	rate changed to	3%	1967	rate changed to	4% – 8%
1957	rate changed to	2%	1971	rate changed to	6% – 10%
1959	rate changed to	3%	1981	rate changed to	6% – 12%

Sales and Use Tax

1934	sales tax enacted at	2%	1955	rate changed to	2.5%
1937	use tax enacted at	2%	1957	rate changed to	2%
			1967	rate changed to	3%
			1983	rate changed to	4%
			1992	rate changed to	5%

Cigarette Tax

1921	tax enacted at	2¢/package	1971	rate changed to	13¢
1953	rate changed to	3¢	1981	rate changed to	18¢
1959	rate changed to	4¢	1985	rate changed to	26¢
1963	rate changed to	5¢	1988	rate changed to	34¢
1965	rate changed to	8¢	1989	rate changed to	31¢
1967	rate changed to	10¢	1991	rate changed to	36¢

Motor Fuel / Diesel Fuel Tax

1925	tax enacted at	2¢ / gal. gasoline 2¢ / gal. diesel	1979	rate changed to	10¢ / 11.5¢
1943	rate changed to	3¢ / 3¢	1981	rate changed to	13¢ / 13.5¢
1945	rate changed to	4¢ / 4¢	1982	rate changed to	13¢ / 15.5¢
1953	rate changed to	5¢ / 5¢	1985	rate changed to	15¢ / 16.5¢ (July 1)
1955	rate changed to	6¢ / 6¢	1986	rate changed to	16¢ / 17.5¢ (Jan. 1)
1957	rate changed to	6¢ / 7¢	1987	rate changed to	16¢ / 18.5¢
1965	rate changed to	7¢ / 8¢	1988	rate changed to	18¢ / 20.5¢
1978	rate changed to	8.5¢ / 10¢	1989	rate changed to	20¢ / 22.5¢
			2002	rate changed to	20.1¢
			2003	rate changed to	20.3¢

FOR MORE INFORMATION...

To receive forms and publications

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515/281-7239 or 1-800-532-1531 (Iowa only)

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Internet:

<http://www.state.ia.us/tax>

order by e-mail:

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To listen to recorded tax information:

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To check on the status of your Iowa income tax refund:

515/281-4966 or

1-800-572-3944 (Iowa only)

To receive assistance from a tax specialist:

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