

IOWA'S CORPORATE

Tax Structure

Explanations and Examples

Revised 1971

by

Development Division

Iowa Development Commission

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INTRODUCTION

This report is intended to provide a general familiarity with existing taxes in Iowa. Each Iowa tax pertaining to manufacturing corporations is enumerated, and when possible an example is included to simplify understanding of the application of the tax.

CAUTION: The tax figures are estimates based on the given assumptions concerning a plant and local tax bodies. A particular company may insert its own figures on capital value, inventories, etc., and still not arrive at exact tax payments due to variations in assessments and millage rates. This report is meant only to show the types of taxes Iowa manufacturers pay and examples of how these taxes are levied.

The application of taxes within states varies considerably due to interpretation of the laws. For this reason, we do not attempt to show specific tax comparisons between Iowa and other states.

For a more detailed explanation of Iowa's taxes and other factors affecting doing business in Iowa, refer to "Legal Aspects of Doing Business in Iowa" published by the Iowa Development Commission or to the tax laws as set forth in the Code of Iowa; Chapters 421 through 454.

To obtain precise tax data applicable to a specific business or industry and in a particular location, contact the Development Division of the Iowa Development Commission.

The following figures, pertaining to a hypothetical plant and millage rates, are completely arbitrary and are provided only to show mathematical procedures used in determining taxes in Iowa.

CHARACTERISTICS OF A HYPOTHETICAL PLANT IN IOWA

Investment in:	
Plant (land and buildings)	\$2,000,000.00
Equipment	<u>750,000.00</u>
Total Property Investment	\$2,750,000.00
*Fair Market Value	\$2,200,000.00
Assessed Property Valuation	\$ 594,000.00
(Iowa's assessed valuation of all property is set at 27% of market value)	

*"Fair Market Value" in this case is an estimate; such value is determined by the local assessor. Such factors as salability, special use, age and other considerations are taken into consideration when arriving at this figure.

CHARACTERISTICS OF A HYPOTHETICAL PLANT IN IOWA (Cont'd.)

Average annual inventory (total)		\$ 420,000.00
Cost of raw materials		\$ 70,000.00
(Only the cost of raw materials is subject to inventory tax in Iowa.)		
Assessed value of taxable inventory		\$ 18,900.00
(Assuming an assessed value of 27% of the market value)		
Gross sales of corporation		\$1,000,000.00
Sales in Iowa		\$ 200,000.00
Net corporate income before taxes		\$ 100,000.00
Total annual payroll		\$ 237,536.00
Employees	50	
Production	20	
Maintenance	16	
Administrative	14	

Assume a millage rate of 100.0 which includes school,
county and state property taxes.

CORPORATION CAPITALIZATION TAX

An annual license fee must be paid at the time the annual report is filed. The fee is imposed on both domestic and foreign corporations based on the stated capital of the corporation. A foreign corporation may elect to report the fair and reasonable value of its property employed and used in Iowa as of January 1 of each year; its license fee will be based on this value. The graduated annual license fees are set forth in the following schedule:

CORPORATION CAPITALIZATION TAX (Cont'd.)

		Stated Capital		Fee	
		Not over	\$ 20,000	\$	5
Over	\$ 20,000	but not over	\$ 40,000	\$	10
Over	\$ 40,000	but not over	\$ 60,000	\$	15
Over	\$ 60,000	but not over	\$ 80,000	\$	20
Over	\$ 80,000	but not over	\$ 100,000	\$	25
Over	\$ 100,000	but not over	\$ 150,000	\$	30
Over	\$ 150,000	but not over	\$ 200,000	\$	35
Over	\$ 200,000	but not over	\$ 250,000	\$	40
Over	\$ 250,000	but not over	\$ 300,000	\$	45
Over	\$ 300,000	but not over	\$ 350,000	\$	50
Over	\$ 350,000	but not over	\$ 400,000	\$	55
Over	\$ 400,000	but not over	\$ 500,000	\$	60
Over	\$ 500,000	but not over	\$ 600,000	\$	70
Over	\$ 600,000	but not over	\$ 700,000	\$	80
Over	\$ 700,000	but not over	\$ 800,000	\$	90
Over	\$ 800,000	but not over	\$ 900,000	\$	100
Over	\$ 900,000	but not over	\$ 1,000,000	\$	110
Over	\$ 1,000,000	but not over	\$ 2,500,000	\$	175
Over	\$ 2,500,000	but not over	\$ 5,000,000	\$	250
Over	\$ 5,000,000	but not over	\$ 10,000,000	\$	350
Over	\$ 10,000,000	but not over	\$ 50,000,000	\$	800
Over	\$ 50,000,000	but not over	\$100,000,000	\$	1,200
Over	\$100,000,000	but not over	\$200,000,000	\$	1,600
Over	\$200,000,000	but not over	\$300,000,000	\$	2,500
Over	\$300,000,000	but not over	\$500,000,000	\$	3,000
Over	\$500,000,000				

Corporation capitalization tax or annual license fee:

Value of property employed and used in Iowa	\$3,500,000.00
Corporation capitalization tax	<u>\$ 250.00</u>

CORPORATE INCOME TAX

The Iowa corporate income tax is imposed on every corporation organized under the laws of this state and on every foreign corporation that does business in Iowa.

Iowa corporate income tax is computed on the basis of the net income received by the corporation from business done within the state during the taxable year. If the trade or business of the corporation is carried on entirely within the state, the tax is imposed on the entire net income. If the business activity is carried on partly within and partly without the state, the tax is imposed only on that portion of net income reasonably attributable to the trade or business within the state. The statutory formula for determining the portion of income from sales or manufacturing that is taxable in Iowa provides that the taxable income shall bear the same ratio to the total income as the gross sales within the state bear to the total gross sales. Gross sales within the state is regarded as the gross sales from goods sold and delivered within the state, excluding deliveries for transportation out of the state. If the corporation believes that this method of determining taxable income is unfair, it can file an objection with the Iowa State Tax Commission and submit an alternative method for computing its taxable income. The Tax Commission has authority to adopt alternative methods.

In computing net income the starting point is the federal taxable income. To this must be added: (1) interest and dividends from foreign securities and from securities of state and other political subdivisions that are exempt from federal income tax, and (2) the Iowa income tax deducted in computing the federal taxable income. The Federal income tax paid during the year and interest and dividends from federal securities are subtracted from this total. The Iowa provisions relating to capital gains and losses are the same as the federal income tax law. A corporation that has taken the net operating loss deduction for federal income tax purposes may use the same deduction for the state income tax; if the corporation is subject to the allocation formula, it may deduct only the portion of the deduction and federal income taxes that are allocable to Iowa.

COMPUTING CORPORATE INCOME TAX FOR IOWA

Gross sales of corporation \$1,000,000
Sales in Iowa \$ 200,000

Ratio of gross sales to sales in Iowa 20%

Total corporate net income \$ 100,000

Federal Income Tax
24% X 1st 25,000 = \$ 6,000
48% X 75,000 = \$36,000
Federal Income Tax = \$42,000

$1/2 \times 42,000 = \$21,000$

Less 20% Iowa ratio X \$21,000 = \$4,200 or
that portion of federal income tax
allocable to Iowa \$ 4,200

Net income after deduction of
Federal tax allocable to Iowa \$ 95,800

\$95,800 - times 20% Iowa Sales Ratio
equals Iowa net taxable income \$ 19,160

Iowa corporate tax rates

1st 25,000 @ 4%
25-100,000 @ 6%
all over 100,000 @ 8%

Iowa corporate tax (4% X \$19,160 = \$766.40)

$6\% \times 19,160 = 1149.60$

TOTAL IOWA CORPORATE INCOME TAX \$766.40

UNEMPLOYMENT INSURANCE

The Iowa Employment Security Law applies to any employing unit that employs four or more workers for some portion of a day in each of twenty calendar weeks within a calendar year.

Initially the employer pays state unemployment tax at a rate of 2.7% on the first \$3,000 of wages paid to any one individual during a calendar year plus the 0.5% federal tax on the same amount. (On January 1, 1972, the base amount raises from \$3,000 per employee to \$4,200.)

Federal law limits the minimum rate paid to a state for the first four years of a company's operations to 2.7%. Iowa's rate is therefore the minimum allowed by law.

After four years of employment experience under the Iowa program, an employer's rate of contribution will then be based on the ratio of his cash reserve in the fund to his average annual payroll for the past three years.

This ratio establishes the employer's tax rate. The tax rate is reduced when the ratio reaches the level of 2.3 percent and continues to drop until the ratio reaches 8.0 percent. The tax is eliminated when the ratio reaches the eight percent level. The maximum rate for employers with a negative ratio (where an employer's benefit payments to his employees exceed his contributions to the fund) was increased to 3.0 percent for the calendar year 1966, 3.5 percent in 1967 and 4.0 percent in 1968. In no event shall an employer's contribution be more than 2.7 percent of the first \$10,000 of taxable wages for insured work paid during any calendar quarter.

The law allows voluntary contributions for the purpose of increasing the ratio and obtaining a lower rate.

In 1966, Iowa had the lowest average employer tax rate in the nation, 0.8%. At present, more than 50 percent of Iowa's employers pay no unemployment tax to the state.

UNEMPLOYMENT INSURANCE (Cont'd.)

The following is a condensed schedule of contribution rates:

Ratio of Employer's Cash Reserve to his Average <u>Annual Payroll</u>	Contribution Rate		
	<u>State</u>	<u>Federal</u>	<u>Total</u>
Less than 2.3%	2.7%	0.5%	3.2%
2.5% but less than 2.6%	2.4%	"	2.9%
2.8% " " " 2.9%	2.1%	"	2.6%
3.1% " " " 3.2%	1.8%	"	2.3%
3.4% " " " 3.5%	1.5%	"	2.0%
3.7% " " " 3.8%	1.2%	"	1.7%
4.3% " " " 4.6%	0.9%	"	1.4%
5.3% " " " 5.7%	0.6%	"	1.1%
6.5% " " " 7.0%	0.3%	"	0.8%
8.0% or over	0.0%	"	0.5%

For example, if after completing four fiscal years, an employer's taxable payroll averaged \$120,000 and his excess of contributions over benefits paid to employees amounted to \$9,800 the ratio would be 8.2% and the Iowa employer's rate would be zero.

Reports and payments must be made to the Iowa Employment Security Commission in Des Moines on or before the last day of the month following the close of the quarterly period which is being reported. Quarterly reports must be filed even though an employer has a zero percent rate. The 0.5% Federal Government tax is due annually and is reported to the District Office of Internal Revenue.

Computing Unemployment Insurance:

Assume an annual payroll of \$237,536 for 50 employees, as used in estimating workmen's compensation. Assume also that all workers earn at least \$3,000 yearly. Therefore, \$3,000 x 50 employees = \$150,000 of taxable payrolls for unemployment insurance. For the first four years this firm operates in Iowa it will pay 2.7% to the State of Iowa and 0.5% to the federal government.

Tax for first four years:

Iowa 2.7% x \$150,000.00	=	\$4,050.00
U. S. 0.5% x \$150,000.00	=	<u>750.00</u>
Total		\$4,800.00

Tax after four years assuming at least an 8% ratio of excess contributions:

Iowa		No Tax
U. S. 0.5% x \$150,000.00	=	<u>\$ 750.00</u>
Total		\$ 750.00 Federal Tax

USE TAX

The rate of the use tax is three percent of the purchase price.

If the property is processed or manufactured into another article of tangible personal property intended to be sold ultimately at retail, the use tax does not apply.

Examples of property that is exempt because it is used in processing include: personal property that forms an integral or component part of a manufactured product intended to be sold ultimately at retail; fuel which is consumed in creating power, heat, or steam for processing or for generating electric current; industrial materials and equipment, which are not readily obtainable in Iowa, and which are directly used in the actual fabricating, compounding, manufacturing, or servicing of tangible personal property intended to be sold ultimately at retail or chemicals, solvents, sorbents, or reagents, which are directly used and are consumed, dissipated, or depleted in processing personal property, which is intended to be sold ultimately at retail, and which may not become a component or integral part of the finished product.

"Readily obtainable in Iowa" shall mean kept in Iowa for sale or manufactured in Iowa for sale as distinguished from being obtainable by giving an order to an agent in Iowa for delivery from some point outside the state of Iowa.

USE TAX (Cont'd.)

Property on which the Iowa sales tax has been paid is exempt from the use tax. If sales or use tax equal to the amount of the Iowa tax has been paid on an article in another state, no further tax is due. If the amount of tax paid by a person to another state on a given article is less than the amount of the Iowa tax, the amount of Iowa tax due is the difference between the tax paid to the foreign state and the tax due under the Iowa law.

RETAIL SALES TAX

The Iowa retail sales tax is three percent of the gross receipts from all sales of tangible personal property, consisting of goods, wares, or merchandise, sold at retail in the state to consumers or users. The tax does not apply to sales in interstate commerce. If tangible personal property is sold within the state to a seller who is obligated to deliver it to a point outside the state or to deliver it to a carrier or to the mails for transportation to a point without the state, the tax does not apply.

If a manufacturer uses or consumes tangible personal property that he has made, compounded, fabricated, or assembled, he must pay sales tax equal to three percent of the cost of the manufacture. The cost includes the purchase price of component raw materials plus manufacturing costs. However, sales of tangible personal property to processors and manufacturers are exempt from the tax if the goods, through fabrication, compounding, manufacturing, or germination, become an integral part of other tangible personal property intended to be sold ultimately at retail, or such property is a chemical, solvent, sorbent, or reagent, which is directly used and is consumed, dissipated, or depleted, in processing personal property which is intended to be sold ultimately at retail, and which may not become a component or integral part of the finished product.

PROPERTY TAXES

Corporations are subject to a tax on all real and personal property, including land, buildings, equipment and inventories, with the exception of those things specifically exempted.

A major exemption applies to personal property in transit which is exempt from inventory tax.

The exemption of personal property in transit from taxation permits manufacturers outside of Iowa to build private warehouses within Iowa and store personal property, goods, wares and merchandise for any length of time, which is in

PROPERTY TAXES (Cont'd.)

transit to a final destination outside the State of Iowa. These warehouses may belong to any private person, partnership, joint venture, corporation, fiduciary, trust or estate.

This personal property in transit in the warehouses is exempt from taxation. While it is in the warehouse, the merchandise may be bound, divided, severed, broken in bulk, labeled or relabeled and packaged or repackaged. The exempt merchandise must be so designated on the books and records of the warehouse so it may be transmitted to the local assessor of the taxing district. These records must be open at all times for inspection by authorized personnel.

Iowa property tax is determined by applying the local millage rate to the assessed value of the property.

A specific county millage rate cannot be furnished unless the location of the property is known, since the millage rate varies from school district to school district and since counties and school districts are not geographically synonomous. Taxable property located within a municipality pays only the municipal rate, as this includes the county levy.

The Code of Iowa specifies that property shall be assessed at 27% of "market value". The local county assessor determines the "market" value of property within his jurisdiction. There is a judgment factor involved, as the industrial property to be valued is subject to many factors which would either lower or raise its fair "market value". Generally, it can be assumed that fair market value is lower than cost of investment in property. A visit to the local assessor will usually answer this question more specifically.

Computing Real Property Tax:

Assume that all machinery and equipment is considered as real property by the assessor, and that the market value of the property as determined by the assessor is as follows:

Plant (Land and Buildings)	\$2,000,000.00
Machinery and Equipment	<u>750,000.00</u>
Total Investment in real property	\$2,750,000.00
Fair market value (as determined by local county assessor) This will vary as each assessor will have responsibility to assess value	\$2,200,000.00 *

* An estimate

Computing Real Property Tax (Cont'd.)

Using the assessment ratio of 27% of market value, and assuming a millage rate of 100.0, the plant's real property tax would be determined as follows:

$$\begin{aligned} .27 \times \$2,200,00.00 &= \$594,000.00 \\ .10 \times \$594,000.00 &= \underline{\underline{\$ 59,400.00}} \text{ Property Tax (Real)} \end{aligned}$$

(Please note again that the actual tax due will vary depending on local millage rates and assessment ratios.)

Computing Inventory Tax:

Inventories include raw materials, work in process and finished goods. However, work in process and finished goods are assessed only at the average value of the raw materials entering into the cost of manufacture. Inventory tax is then collected only on the cost of raw materials. Iowa manufacturers report their own inventory costs. An assessor does not value the raw materials.

Assume an average annual inventory of \$420,000 of which \$70,000 was the cost of raw materials. Using the assessment rate of 27% and millage rate of 100.0, the inventory tax would be as follows:

$$\begin{aligned} .27 \times \$70,000.00 &= \$ 18,900.00 \\ .100 \times \$18,900.00 &= \underline{\underline{\$ 1,890.00}} \end{aligned}$$

Moneys and Credits Tax:

An Iowa corporation engaged in manufacturing is required to list its moneys and credits; these are taxed at a flat rate of five mills on the dollar of actual valuation plus one mill for payment of a Korean war bonus.

The moneys and credits tax for individuals is limited to a rate of one mill for payment of the Korean war bonus.

Non-interest-bearing funds, such as checking accounts, are exempt. Also, all debts in good faith owed by a person may be deducted from total moneys and credits in arriving at the net or taxable moneys and credits. Five thousand dollars of moneys and credits are allowed exempt, except that this exemption will not apply if the amount of non-interest-bearing funds and/or debts in good faith exceeds \$5,000. If the total amount of debts and non-interest-bearing moneys and credits is less than \$5,000 the allowable exemption is the difference between total debts, non-interest-bearing moneys and credits and \$5,000.

Assume that on January 1 this plant has working capital of \$500,000 in inventories, non-interest-bearing checking accounts and accounts receivable. Assume further that debts in good faith equal or exceed accounts receivable. Therefore, this plant would not be required to pay any moneys and credits tax.

Iowa Taxpayers Association
Des Moines, Iowa

MILLAGE RATES FOR ALL CITIES
IN IOWA

	Collectible in 1969					Collectible in 1970				
	County & State	City	School	Area School	Total	County & State	City	School	Area School	Total
Adel	13.197	29.201	45.756	1.500	89.654	14.997	30.534	53.653	1.426	100.610
Albia	25.698	42.591	60.172	1.500	129.961	26.214	41.359	67.862	1.500	136.935
Algona	9.525	32.136	50.084	1.500	93.245	7.988	33.060	38.130	1.500	80.678
Ames	14.570	28.345	68.664	1.500	113.079	16.722	34.517	78.783	1.426	131.448
Anamosa	15.578	24.838	58.895	1.500	100.811	17.686	27.889	67.366	1.500	114.441
Ankeny	23.862	34.646	66.234	1.500	126.242	26.258	29.557	72.243	1.426	129.484
Atlantic	17.577	32.738	34.568	1.500	86.383	18.375	36.766	39.387	1.500	96.028
Audubon	16.260	29.866	47.741	--	93.867	14.617	30.524	53.171	--	98.312
Belle Plaine	14.066	35.414	46.748	1.500	97.728	13.507	33.259	51.597	1.500	99.863
Bellevue	19.893	34.085	53.458	--	107.436	20.630	32.585	45.261	--	98.476
Belmond	9.106	33.201	37.451	1.503	81.261	9.617	34.442	40.588	1.503	86.150
Bettendorf	21.225	26.177	73.277	1.500	122.179	20.987	22.506	83.344	1.500	128.337
Bloomfield	18.849	37.082	43.317	1.500	100.748	20.662	34.545	45.478	1.500	102.185
Boone	18.997	35.292	55.246	1.500	111.035	19.735	37.738	59.909	1.426	118.808
Britt	10.778	31.689	38.714	1.503	82.684	10.225	32.391	38.607	1.503	82.726
Burlington	15.971	37.832	64.192	1.500	119.495	16.998	33.991	63.448	1.500	115.937
Camanche	14.777	22.999	39.589	1.500	78.865	16.838	23.590	36.847	1.500	78.775
Carroll	15.479	33.731	19.274	--	68.484	16.773	35.586	21.015	--	73.374
Carter Lake	19.011	33.572	69.270	1.500	123.353	18.781	31.682	75.644	1.500	127.607
Cedar Falls	20.300	27.105	70.907	1.504	119.816	22.152	27.175	71.130	1.504	121.961
Cedar Rapids	16.325	42.955	63.226	1.500	124.006	17.326	40.868	68.152	1.500	127.846
Centerville	19.208	37.226	51.460	1.500	109.394	23.883	37.414	68.939	1.500	131.736
Chariton	22.584	30.149	51.086	1.500	105.319	26.723	32.704	59.283	1.500	120.210
Charles City	12.305	30.925	42.055	1.503	86.788	14.602	32.144	51.234	1.503	99.483
Cherokee	13.840	31.838	35.387	--	81.065	12.704	34.639	44.288	--	91.631
Clarinda	14.897	30.678	50.959	1.500	98.034	14.728	31.888	49.078	1.500	97.194
Clarion	9.106	32.596	37.695	1.500	80.897	9.617	35.839	44.106	1.500	91.062
Clear Lake	10.784	31.657	48.829	1.503	92.773	12.721	34.482	51.986	1.503	100.692
Clinton	14.827	30.280	48.300	1.500	94.907	17.174	32.008	56.447	1.500	107.129
Colfax	14.451	32.879	65.662	1.500	114.492	13.877	28.650	60.574	1.426	104.527
Coralville	15.774	31.216	70.069	1.500	118.559	18.293	32.347	83.691	1.500	135.831
Corning	14.144	35.840	45.575	1.500	97.059	13.853	38.027	44.070	1.504	97.454
Council Bluffs	19.020	41.324	69.270	1.500	131.114	18.666	40.152	75.644	1.500	135.962

The following tables give the 1969 millage rates for taxes collectible in 1970 for a number of communities in Iowa and the millage rates for county and state.

COLLECTIBLE IN 1970 FOR
SELECTED IOWA COMMUNITIES

Collectible in 1969

Collectible in 1970

	Collectible in 1969					Collectible in 1970				
	County & State	City	School	Area School	Total	County & State	City	School	Area School	Total
Cresco	20.432	37.119	47.749	1.500	106.800	21.512	43.235	57.946	1.500	124.193
Creston	18.809	37.391	39.725	1.500	97.425	24.256	36.431	44.065	1.504	106.256
Davenport	21.434	35.780	56.982	1.500	115.696	21.177	34.840	66.566	1.500	124.083
Decorah	16.991	36.094	48.938	1.500	103.523	20.066	37.042	53.234	1.500	111.842
Denison	13.544	26.279	39.646	--	79.469	15.509	27.331	47.991	1.488	92.319
Des Moines	23.823	45.227	58.982	1.500	129.532	26.986	44.812	68.186	1.426	141.410
DeWitt	14.777	30.737	52.859	1.500	99.873	16.838	25.936	55.425	1.500	99.699
Dubuque	21.593	41.228	46.425	--	109.246	23.109	46.464	58.881	--	128.454
Dyersville	21.787	28.097	31.055	--	80.939	22.645	27.743	46.456	--	96.844
Eagle Grove	9.106	42.801	46.126	1.500	99.533	9.617	39.481	50.890	1.500	101.488
Eldora	12.269	29.877	36.301	1.500	79.947	16.313	28.878	39.144	1.500	85.835
Emmetsburg	11.952	32.562	48.762	1.500	94.776	14.443	35.905	59.648	1.500	111.496
Estherville	14.157	27.325	50.588	1.500	93.570	14.779	27.357	56.234	1.500	99.870
Evansdale	20.300	35.114	54.173	1.504	111.091	22.152	34.369	62.141	1.504	120.166
Fairfield	17.387	31.704	39.430	1.500	90.021	21.034	29.465	41.178	1.500	93.177
Forest City	13.315	31.051	43.494	1.503	89.363	15.247	32.587	42.940	1.503	92.277
Fort Dodge	19.863	40.198	46.208	1.500	107.769	16.275	41.668	48.926	1.500	108.369
Fort Madison	19.925	28.816	44.949	1.500	95.190	19.244	27.927	44.307	1.500	92.978
Glenwood	13.151	38.767	39.931	1.500	93.349	12.194	36.798	43.121	1.500	93.613
Greenfield	19.723	33.897	46.774	1.500	101.894	15.551	32.180	48.709	1.504	97.944
Grinnell	13.346	34.773	41.800	1.500	91.419	13.275	32.109	51.123	1.500	98.007
Grundy Center	11.687	34.833	34.518	1.504	82.542	12.216	38.045	39.930	1.504	91.695
Guthrie Center	18.571	39.552	41.449	1.500	101.072	15.219	39.860	40.888	1.426	97.393
Guttenberg	17.682	31.449	54.091	1.500	104.722	20.774	28.472	46.786	1.500	97.532
Hampton	11.569	33.863	38.595	1.503	85.530	16.834	34.890	41.425	1.503	94.652
Harlan	14.823	33.712	43.077	1.500	93.112	14.427	32.778	51.517	1.500	100.222
Hawarden	9.129	33.994	42.649	1.481	87.253	8.877	31.928	45.094	1.500	87.399
Humboldt	14.645	32.733	40.765	1.500	89.643	14.495	32.026	43.552	1.500	91.573
Ida Grove	9.176	39.557	39.222	1.500	89.455	8.549	39.424	47.566	1.488	97.027
Independence	14.227	32.515	62.863	1.504	111.109	18.844	34.358	60.599	1.504	115.305
Indianola	13.315	32.055	63.062	1.500	109.932	15.394	33.250	74.182	1.426	124.252
Iowa City	15.790	33.604	70.069	1.500	120.963	18.379	37.377	83.691	1.500	140.947
Iowa Falls	12.269	40.831	37.011	1.500	91.611	16.313	40.801	42.663	1.500	101.277
Jefferson	10.239	30.119	38.068	1.500	79.926	15.191	29.831	41.507	1.500	88.029
Keokuk	20.297	42.952	68.325	1.500	133.074	19.423	39.847	62.647	1.500	123.417

Collectible in 1969

Collectible in 1970

	Collectible in 1969					Collectible in 1970				
	County & State	City	School	Area School	Total	County & State	City	School	Area School	Total
Knoxville	14.278	27.690	50.441	1.500	94.229	15.288	29.760	56.302	1.426	102.776
Lake City	8.515	35.892	33.384	1.500	79.291	8.810	35.787	41.806	1.500	87.903
Lamoni	27.769	34.940	55.402	1.500	119.611	24.055	36.410	65.069	1.504	127.038
LeMars	8.251	33.426	38.601	1.500	81.778	9.125	32.396	50.736	1.488	93.745
Leon	27.769	37.714	50.846	1.500	117.829	24.055	36.746	46.759	1.504	109.064
Madrid	18.360	35.448	63.060	1.500	118.368	19.101	34.850	75.606	1.426	130.983
Manchester	15.926	26.620	53.220	--	95.766	16.640	25.460	55.876	--	97.976
Maquoketa	19.893	30.764	44.602	--	95.259	20.630	31.388	61.093	--	113.111
Marengo	11.857	34.407	46.928	1.500	94.692	14.450	35.723	52.702	1.500	104.375
Marion	16.307	31.645	74.387	1.500	123.839	17.104	32.524	90.254	1.500	141.382
Marshalltown	15.570	34.895	53.884	1.500	105.849	18.569	32.509	53.885	1.500	106.463
Mason City	10.785	37.171	58.953	1.503	108.412	12.745	36.617	63.436	1.503	114.301
Missouri Valley	20.412	29.932	55.205	1.500	107.049	20.240	32.094	56.637	1.500	110.471
Monticello	15.578	33.138	44.252	1.500	94.468	17.686	32.443	58.685	1.500	110.314
Mount Pleasant	17.511	25.740	39.449	1.500	84.200	20.452	27.705	43.640	1.500	93.297
Mount Vernon	16.307	38.840	62.837	1.500	119.484	17.104	36.069	69.645	1.500	124.318
Muscatare	17.009	35.250	53.318	1.500	107.077	17.122	35.770	58.157	1.500	112.549
Nevada	14.245	35.010	46.772	1.500	97.527	16.336	34.486	48.970	1.426	101.218
New Hamptbn	10.056	28.756	42.327	1.500	82.639	13.010	30.370	49.040	1.500	93.920
Newton	14.130	33.417	57.239	1.500	106.286	13.693	31.793	59.055	1.426	105.967
Oelwein	11.875	27.838	41.317	1.500	82.530	15.151	31.230	51.260	1.500	99.141
Onawa	13.910	6.886	36.430	1.500	58.726	16.574	11.962	39.524	1.488	69.548
Orange City	9.129	37.366	44.554	1.481	92.530	8.877	37.834	50.843	1.500	99.054
Osage	15.174	45.083	45.217	1.503	106.977	14.456	47.964	45.344	1.503	109.267
Osceola	26.971	28.911	46.230	1.500	103.612	27.345	29.711	52.763	1.504	111.323
Oskaloosa	16.171	24.083	49.797	1.500	91.551	16.358	24.397	54.742	1.500	96.997
Ottumwa	24.179	48.081	67.961	1.500	141.721	25.154	48.225	73.645	1.500	148.524
Pella	14.598	35.838	41.805	1.500	93.741	15.288	34.387	46.472	1.426	97.573
Perry	13.197	38.050	51.063	1.500	103.810	14.997	38.834	56.493	1.426	111.750
Pocahontas	10.530	21.785	27.515	1.500	61.330	11.404	24.328	31.540	1.500	68.772
Red Oak	10.679	34.440	45.835	1.500	92.454	11.002	33.740	45.487	1.504	91.733
Rock Rapids	9.233	40.778	32.841	1.481	84.333	11.614	40.383	39.403	1.500	92.900
Rockwell City	8.515	38.863	32.314	1.500	81.192	8.810	39.857	35.331	1.500	85.498

Collectible in 1969

Collectible in 1970

	Collectible in 1969					Collectible in 1970				
	County & State	City	School	Area School	Total	County & State	City	School	Area School	Total
Sac City	8.515	38.438	39.381	1.500	87.894	10.234	38.195	44.806	1.500	94.735
Sheldon	12.375	37.568	39.412	1.481	90.836	11.909	35.479	42.379	1.500	91.267
Shenandoah	14.897	34.544	42.923	1.500	93.864	14.728	35.226	46.604	1.500	98.058
Sibley	11.918	38.165	38.303	1.481	89.867	14.671	35.432	45.963	1.500	97.566
Sigourney	15.727	32.284	46.910	1.500	96.421	17.009	28.692	51.716	1.500	98.917
Sioux Center	9.129	31.609	36.977	1.481	79.196	8.877	33.200	38.355	1.500	81.932
Sioux City	19.870	43.331	54.761	1.500	119.462	19.881	45.629	64.745	1.488	131.743
Spencer	10.366	29.858	39.704	1.500	81.428	12.859	34.426	48.883	1.500	97.668
Spirit Lake	14.723	42.939	37.316	1.500	96.478	13.410	38.337	35.863	1.500	89.110
Storm Lake	12.298	32.735	40.375	1.500	86.908	13.377	34.282	45.329	1.500	94.488
Sumner	13.803	36.015	40.429	1.504	91.751	15.362	37.195	45.902	1.504	99.963
Tama	12.816	37.701	50.622	1.500	102.639	14.967	37.403	56.892	1.500	110.762
Tipton	10.297	24.368	44.022	1.500	80.187	12.016	24.978	52.882	1.500	91.376
Toledo	12.816	37.719	50.622	1.500	102.657	14.967	36.993	56.892	1.500	110.352
Urbandale	23.862	27.104	92.085	1.500	144.551	26.258	26.105	98.550	1.426	152.339
Vinton	14.066	34.081	44.747	1,500	94.394	13.507	31.311	43.956	1.500	90.274
Washington	17.441	36.518	42.318	1.500	97.777	18.041	37.627	51.105	1.500	108.273
Waterloo	19.821	43.772	54.173	1.504	119.270	21.812	43.877	62.141	1.504	129.334
Waukon	17.699	28.664	47.467	1.500	95.330	18.661	33.196	53.212	1.500	106.569
Waverly	13.803	27.989	44.848	1.504	88.144	15.362	28.109	50.672	1.504	95.647
Webster City	10.244	30.177	39.888	1.500	81.809	11.677	32.838	47.206	1.500	93.221
West Burlington	15.912	26.015	55.032	1.500	98.459	17.138	25.771	58.748	1.500	103.157
West Des Moines	23.862	33.822	63.426	1.500	122.610	26.258	37.098	71.096	1.426	135.878
West Liberty	16.596	29.325	51.602	1.500	99.023	16.760	28.534	52.632	1.500	99.426
West Union	11.875	35.325	50.293	1.500	98.993	15.151	32.932	58.366	1.500	107.949
Windsor Heights	23.862	20.203	63.426	1.500	108.991	26.258	20.134	71.096	1.426	118.914
Winterset	14.474	28.547	45.293	1.500	89.814	16.831	28.863	53.847	1.426	100.967

Recap of Property Taxes

Plant and Equipment	\$ 59,400.00
Inventory	1,890.00
Moneys and Credits	-----
Total Property Tax	<u>\$ 61,290.00</u>

PERSONAL INCOME TAX

Iowa has a state personal income tax. Beginning January 1, 1966, Iowa's personal income tax withholding system went into effect.

The tax is imposed on earnings of individuals at the following rate:

Taxable Income

First \$1,000	0.75%
Second \$1,000	1.50
Third \$1,000	2.25
Fourth \$1,000	3.00
Over \$4,000 to \$7,000	3.75
\$7,000 to \$9,000	4.50
All over \$9,000	5.25

A credit of \$15.00 is allowed against this tax for single persons, \$30.00 for married couples and \$10.00 for each dependent. Deductions from net income are substantially the same as under Federal law. Federal income tax is deductible.

SUMMARY OF ALL STATE TAXES PAID BY HYPOTHETICAL PLANT

Corporation Capitalization Tax	\$ 250.00
Corporate Income Tax	766.40
Unemployment Insurance	4,050.00
(For each of first four years <u>excluding</u> 0.5% Federal tax)	
Property Taxes:	
Plant and Equipment	59,400.00
Inventory	<u>1,890.00</u>
Total Estimated State Taxes	<u>\$ 66,356.40</u>
(Includes local property tax)	

STATE LIBRARY OF IOWA



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