

*Texas Farm*

# State of Iowa



## YOUR TAX DOLLARS 1951-1952

*Where They Came From  
Who Paid Them  
Where the Money Goes*

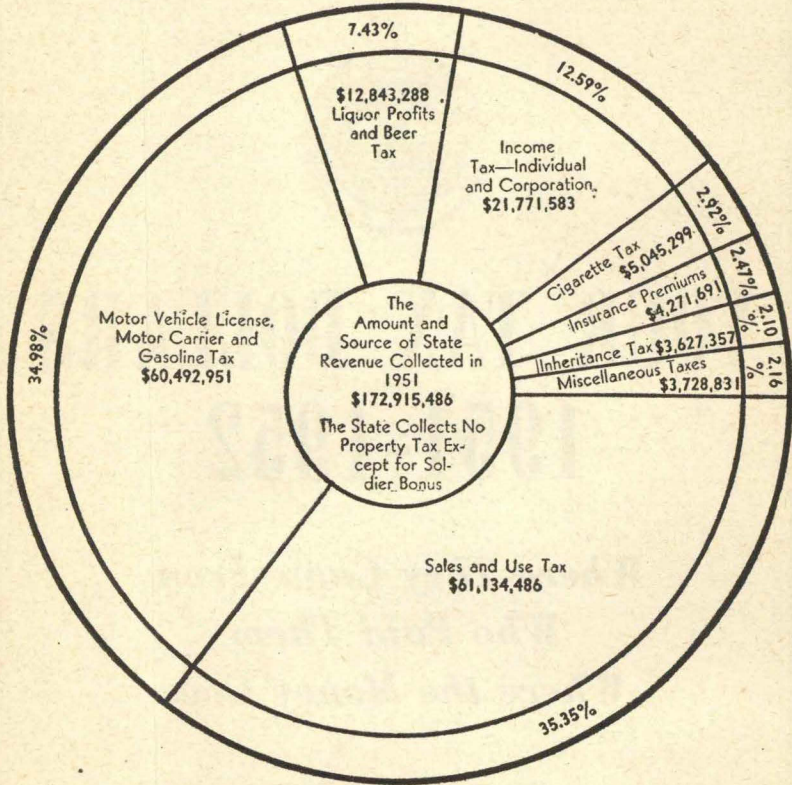
PROPERTY LEVIES  
SPECIAL TAX COLLECTIONS  
AND ALLOCATIONS 1951-1952

*Data prepared under direction of the*  
IOWA STATE TAX COMMISSION

By Louis H. Cook, Director of Research

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1952

# CHART NO. 1



**NOTE:** Miscellaneous taxes include Drivers and Hunters licenses, Corporation fees, Oleomargarine tax, Inspection fees of the department of Agriculture, Chain Store tax, tax on Refrigeration and Tank cars and other minor sources of revenue. Gasoline taxes are net after refunds. Employment security taxes are not included.

## DISCUSSION OF CHART NO. 1

This chart presents graphically the revenues derived by the state of Iowa during the fiscal year ending June 30, 1951, from the various special taxes collected by the state, and from which all expenditures authorized by the legislature are financed.

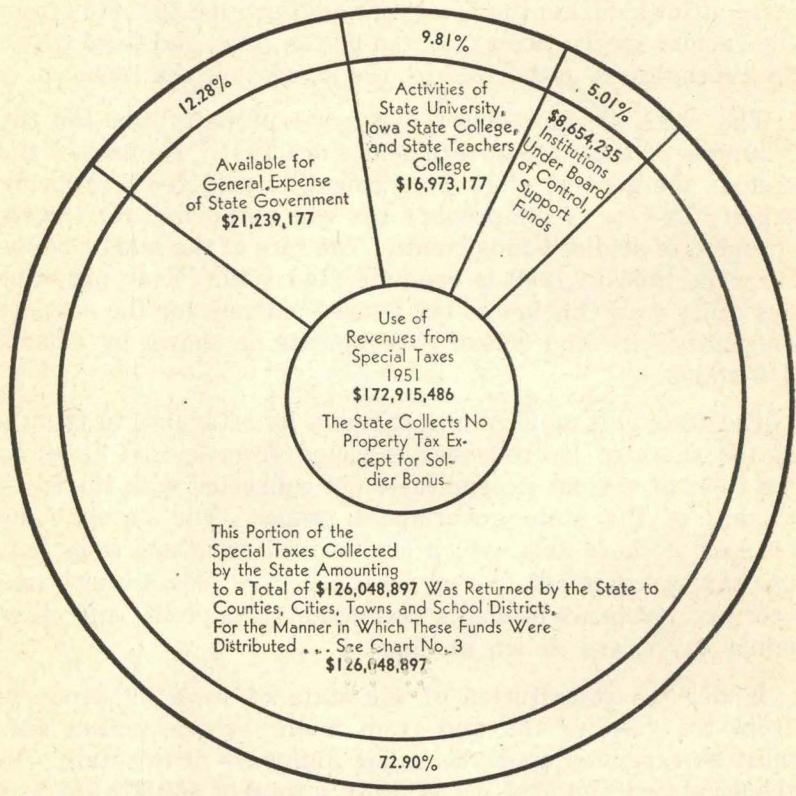
The state has not levied a general property tax for the financing of the state government since 1941. No part of the cost of the general state government is paid from property taxes. By vote of the people a tax was authorized for the retirement of soldier bonus bonds. The rate of the soldier bonus tax collectible in 1952 is one-half ( $\frac{1}{2}$ ) mill. Your property tax other than this bonus tax is used entirely for the support of county, city and school governments as shown by Charts 4, 5 and 6.

The state aids all local governments by returning to them a major share of its revenues collected from special taxes in the form of various expenditures not connected with the functioning of the state government proper. The nature, and amount of these aids, which are derived from our sales tax, use tax, gasoline tax, motor vehicle license fees, income tax, beer tax, insurance premium tax, liquor store profits and other minor taxes, are shown in Chart 1.

Under the constitution of the state of Iowa all proceeds from the gasoline tax and from motor vehicle license fees must be expended upon the public highways of the state. In the fiscal year ending June 30, 1951, a total of \$60,492,951 was derived from these sources, this being the net collection after refunds of gasoline tax authorized by law. None of these highway funds may be expended for any other purpose.

In addition to these constitutionally pledged funds the legislature in 1949 provided that all of the receipts from the use tax imposed upon the sale of new motor vehicles and 10 per cent of the receipts from the general sales tax must also be used for highway purposes.

# CHART NO. 2 HOW STATE REVENUES ARE RAISED



### FOR DIVISION OF STATE AIDS TO SCHOOLS, COUNTIES, CITIES AND TOWNS, SEE CHART 3

*This chart shows how special revenues collected by the state for the fiscal year ending June 30 were allocated in the total amount of \$172,915,486. Of the total collections approximately one dollar out of every eight dollars was available for the general expenses of state government. A little more than one dollar out of each ten dollars collected was appropriated to support of our state educational institutions. About one dollar out of every twenty dollars collected was appropriated for our hospitals, prisons and other institutions under the management of the state board of control. More than seven dollars out of every ten dollars collected was returned or expended in the form of state aids and allocations.*

## DISCUSSION OF CHART NO. 2

This chart presents graphically the disposal of the \$172,-915,486 derived by the state from special revenues for the fiscal year ending June 30, 1951. Of the entire amount available from these collections a total of \$126,048,897 was required for the maintenance of various state aids. These state aids of various descriptions are graphically presented by Chart 3 on the following page.

The allocations for these purposes left available sufficient funds to support the activities of our great state educational institutions and our institutions under the management of the state board of control. This left available for the general expenses of state government the sum of \$21,239,177. From this amount all of the general activities of state government must be financed. These include the payment of the salaries of our district and supreme court justices, and administrative costs of our elective state officers, including those of the Governor, Secretary of State, Attorney General, State Treasurer, State Auditor, and Secretary of Agriculture.

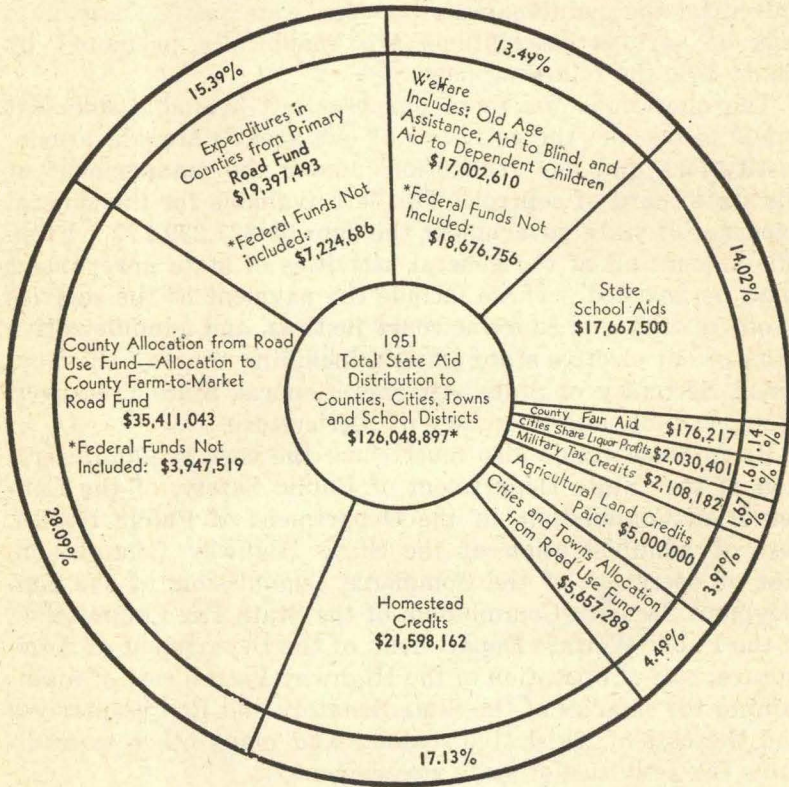
From these funds also must come the cost of administration of the State Department of Public Safety, of the Conservation Commission, of the Department of Public Health, cost of administration of the State Highway Commission, cost of operation of the Commerce Commission, of the Employment Security Commission, of the State Tax Commission, of the Public Welfare Department, of the Department of Agriculture, cost of operation of the Highway Patrol, cost of maintaining the salaries of the State Senators and Representatives and the cost of legislative sessions and many other expenditures for activities of state government.

From these funds also must come capital expenditures such as new hospitals, new buildings at our educational institutions and other expenditures such as, for example, creating and maintaining our state public park system and state owned lakes, both natural and artificial.

Thus it is evident from this chart that in a very large degree the state in its collection of special taxes acts as an agency for the collection of funds for local expenditures which otherwise would either have to be collected from additional property taxes or continuation of our present program of old age assistance, state school aids, state highway aids, and homestead credits, would become impossible.

# CHART NO. 3

## HOW THE STATE AIDS LOCAL GOVERNMENT



**NOTE:** In addition to state funds furnished local government to meet local government expenses they received from the federal government approximately \$18,676,756 of federal aid funds for Old Age Assistance, Aid to Blind, Dependent Children and other welfare activities; \$7,224,686 federal aid on primary roads, \$3,947,519 federal aid for farm-to-market roads, a total in federal aids of \$29,848,961.

## DISCUSSION OF CHART NO. 3

The allocation from the road use fund of \$35,411,043 to the counties of the state plus the \$19,397,493 into the primary road fund as indicated in the chart represents the share of the cities of the state and counties of the state of such special taxes as our gasoline tax, our motor vehicle licenses, our tax from motor carriers, 10 per cent of our state sales tax and all of the receipts from our use tax imposed upon the purchase of new motor vehicles. These allocations are expended for the construction of all new primary roads and the maintenance and improvement of primary roads throughout the state, and for the construction and maintenance of farm-to-market roads. Formerly a portion of these funds were used for the retirement of primary road bonds. These have been retired in entirety. It is no longer possible to issue bonds for primary roads.

In addition to these expenditures for highway purposes, federal aid grants in the amount as indicated by the chart were expended during the year in question. These federal aid funds would not have been available had they not been matched dollar for dollar by the state.

It may be seen that state expenditures for old age assistance, aid to the blind and aid to dependent children aggregated \$17,002,610 and that in addition \$18,676,756 was received from the federal government for welfare purposes.

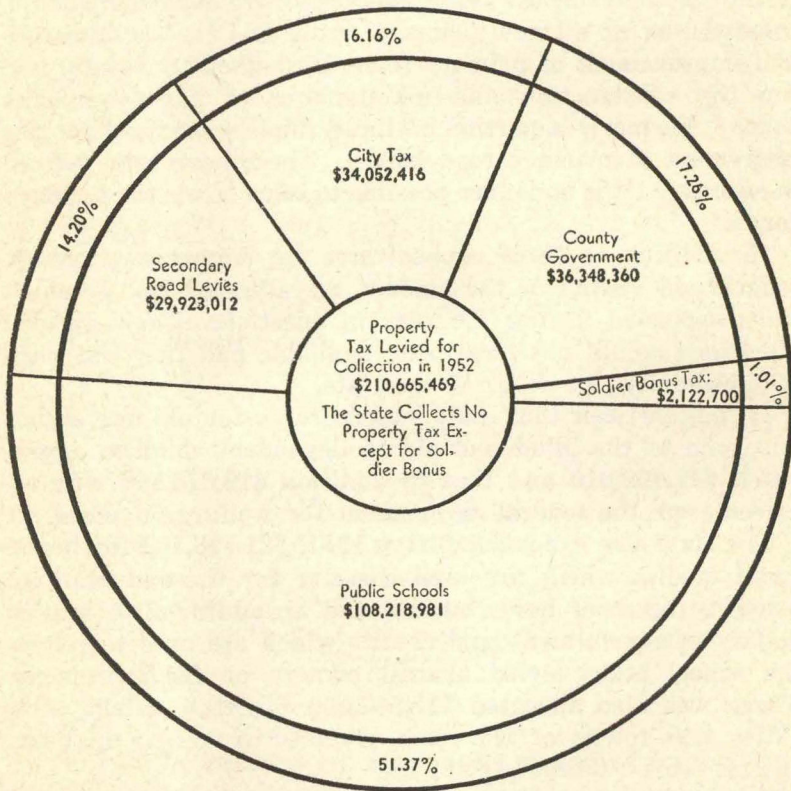
The state also expended during 1951, \$21,598,162 for homestead credits which are used directly for the reduction of property taxes of home owners and an additional 5 million dollars in agricultural land credits which are used to reduce the school taxes levied against owners of farm property. There was also allocated \$17,667,500 for state school aids. Cities and towns of the state received from our highway special taxes a total of \$5,657,289.

It is obvious that without these state or federal aids, greatly increased property taxes would be required if we were to continue our present program of highway improvement, our homestead credit system, our old age assistance program and our state aids to schools. It would have required an additional tax of not less than 28.6 mills to have raised the amount of money that was expended for the purpose as indicated in chart 3, were it not for these special state taxes.

## CHART NO. 4

TOTAL AMOUNT OF PROPERTY TAX YOU PAY IN  
1952 AND FOR WHAT IT IS USED

THE ONLY STATE PROPERTY TAX IS THE  
BONUS TAX



**HOW PROPERTY TAXES COLLECTED IN RURAL DISTRICTS ARE SPENT**

**See Chart 5**

**HOW PROPERTY TAXES COLLECTED IN CITIES AND TOWNS ARE SPENT**

**See Chart 6**



## DISCUSSION OF CHART NO. 4

This chart presents graphically the total property taxes levied for collection in 1951.

These taxing bodies include counties, cities and towns, school districts, drainage districts and other minor units. No property taxes are collected by the state.

None of the proceeds from these property taxes go to the government of the state of Iowa. The state levies no direct property tax and has not done so since 1941. The one-half mill tax levied by the state in 1951 was voted by the people for soldier bonus payment. Neither are any of the proceeds of property taxes used to defray cost of state aids. The entire cost of the state government is paid from the sales tax, income tax, beer tax, cigarette tax, profit from the sale of spirituous liquor, and other special taxes as set out in Chart No. 1. The various aids paid by the state to local government as shown in Chart No. 2 are paid out of the collections of special taxes.

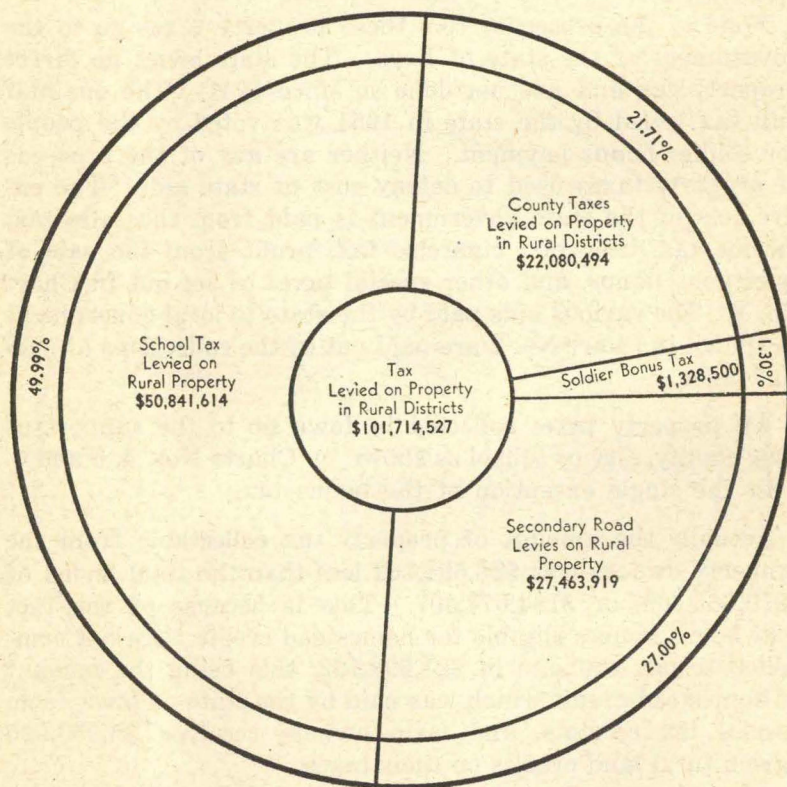
All property taxes collected in Iowa go to the support of your county, city or school as shown by Charts Nos. 4, 5 and 6, with the single exception of the bonus tax.

Actually the amount of property tax collectable from the property owners was \$26,598,162 less than the total levied of \$210,665,469, or \$184,077,307. This is because of the fact that home owners eligible for homestead credit were not compelled to pay the sum of \$21,598,162, this being the amount of homestead credit which was paid by the state of Iowa from special tax receipts, and farm owners received \$5,000,000 agricultural land credits on their taxes.

If it had not been for the homestead credits and agricultural land credits the entire \$26,598,162 allocated for these purposes would have come out of the pockets of home owners and owners of agricultural land.

## CHART NO. 5

### AMOUNT OF PROPERTY TAXES TO BE COLLECTED IN RURAL DISTRICTS IN 1952 AND PURPOSES FOR WHICH THEY ARE SPENT

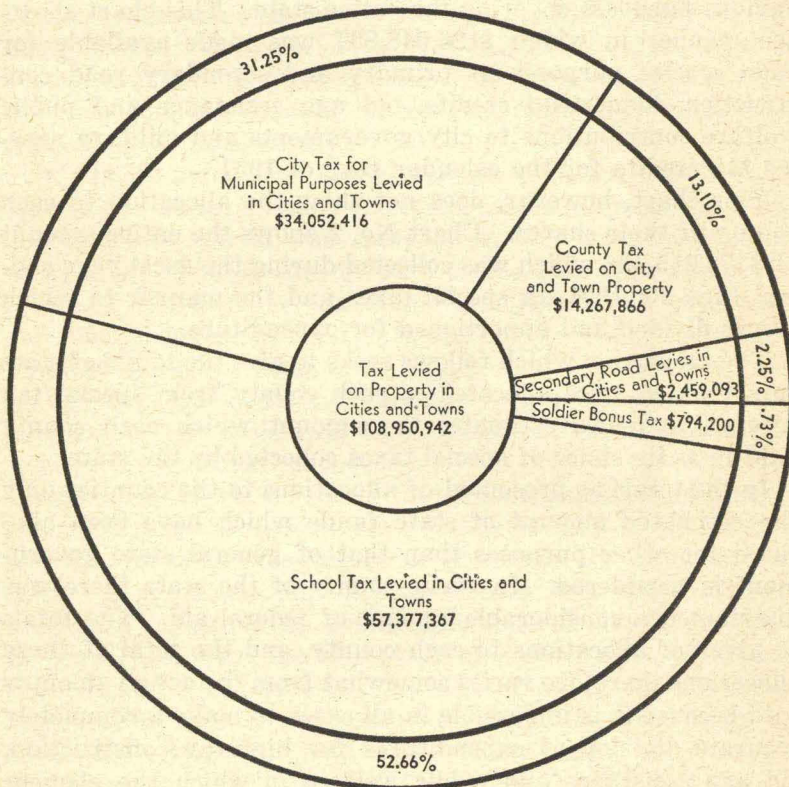


*This chart breaks down the property taxes levied for collection in 1952 upon property in Iowa located outside the limits of cities and towns, and shows how it is spent.*

*It will be seen that school taxes represent 49.99 per cent of the entire bill, secondary road taxes 27.00 per cent of the total and county taxes 21.71 per cent of the whole.*

## CHART NO. 6

### AMOUNT OF PROPERTY TAXES TO BE COLLECTED IN CITIES AND TOWNS IN 1952 AND PURPOSES FOR WHICH THEY ARE SPENT



*This chart is a breakdown of the taxes levied upon property assessed in the cities and towns of the state for collection in 1952. It shows how these taxes are spent.*

*Taxes for school purposes represent 52.66 per cent of the entire bill. City taxes represent 31.25 per cent, county taxes exclusive of secondary road costs were 13.10 per cent. Property owners living in cities and towns paid 2.25 per cent of their tax bill for secondary road construction and maintenance.*

## WHAT YOUR COUNTY PAYS TO THE STATE IN SPECIAL TAXES AND WHAT IT GETS BACK

In Chart No. 3 there is presented in graphic form the amounts of state aid contributions from special taxes for various purposes covering the entire state. This chart shows the manner in which \$126,048,897 was made available for such special purposes as primary and secondary road construction, homestead credits, old age assistance and public welfare contributions to city governments and military service tax credits for the calendar year of 1951.

This chart, however, does not show the allocation to each county of their shares. Chart No. 2 shows the entire amount of \$172,915,486 which was collected during the fiscal year ending June 30, 1951, in special taxes and the manner in which it was divided and apportioned for expenditure.

The tabulation which follows seeks to give the totals of state funds which were allocated to each county from special tax receipts and also estimates the amount which each county paid in as its share of special taxes collected by the state.

In the totals as presented of allocations to the counties only the estimated amount of state funds which have been allocated for other purposes than that of general state government is considered. In every county of the state there was distributed a considerable amount of federal aid. The totals as given of allocations to each county, and the total of these allocations therefore varies somewhat from the actual amounts paid because it is impossible in all cases to make a completely accurate division of expenditures for highway construction, old age assistance and public welfare in which the element of federal aid is involved.

The estimates of the amount of special taxes paid by each county have been carefully compiled with due regard to the fact that citizens of counties which do not include large shopping centers or of counties where the population is predominantly rural do much of their buying in the larger trade centers and the amounts of sales tax collected in such counties do not fairly represent the actual amounts paid.

Where special taxes are not collected in such manner as to permit a direct apportionment to each county on the basis of

actual collections in that county a per capita basis has been followed. This is true, for example, of such taxes as the gasoline tax, cigarette tax, beer tax and state liquor store profits. Generally it is true that the amount of such taxes collected for each resident is greater from persons living in cities and towns or in more heavily populated districts than it is in counties which are in large part agricultural. It is believed, however, that the estimates as given are substantially accurate and fairly present the relation of the various counties between the amount which their citizens contribute to special state revenues and the amount which they receive in return for state financed expenditures.

It will be noted that a very considerable number of counties in the state actually receive a larger amount from the allocations of special state funds than they contribute in tax collections. This is due in part to the fact that apportionments of the gasoline tax funds are generally made on an area basis whereas the taxes are uniform over the entire state. Counties with less productive wealth and therefore with less tax paying ability tend to receive larger amounts in such aids as old age assistance than counties wealthier in industrial or agricultural resources.

Uniformly it will be found that the proportion which counties contribute to special state funds is largest in counties having a considerable degree of industrial development and fairly dense population. As has already been stated the figures here presented do not include federal aids apportioned in connection with the allocation of state funds. However, were it not for the fact that the state, from its special funds, must match federal aids dollar for dollar in most cases before they can be obtained, these federal aids would be unavailable.

The total of allocations to the various counties as listed in detail in the following pages is somewhat higher than the allocation as shown by chart 3 for the reason that in breaking down the detailed allocations it is not possible to distinguish in exactitude between aids paid by the state and those that they receive from federal government, especially in the case of highway and public welfare expenditures. There are also certain state grants which are not based upon county or city allocations and which are not included in the totals shown on Chart 3.

**THIS TABLE ATTEMPTS TO PRESENT THE AMOUNTS OF STATE SPECIAL TAXES CONTRIBUTED BY THE CITIZENS OF EACH COUNTY DURING THE FISCAL YEAR ENDING JUNE 30, 1951, AND THE AMOUNTS OF STATE FUNDS ALLOCATED OR EXPENDED IN EACH COUNTY DURING THE CALENDAR YEAR OF 1951.**

	Allocations For 1951 Calendar Year of State Special Tax Funds to Each County	Estimated Contributions of Citizens of Each County in State Special Tax Collections Fiscal Year Ending June 30, 1951
Adair .....	\$ 1,112,927	\$ 707,435
Adams .....	795,076	470,093
Allamakee .....	860,088	855,982
Appanoose .....	1,583,771	991,756
Audubon .....	699,764	725,800
Benton .....	1,293,842	1,478,108
Black Hawk .....	2,942,712	6,859,246
Boone .....	1,262,617	1,644,342
Bremer .....	1,011,447	1,222,474
Buchanan .....	1,178,278	1,131,070
Buena Vista .....	1,079,168	1,521,173
Butler .....	989,114	1,078,290
Calhoun .....	864,998	1,104,878
Carroll .....	1,091,923	1,704,140
Cass .....	1,187,968	1,227,290
Cedar .....	940,450	1,180,765
Cerro Gordo .....	1,507,257	3,294,153
Cherokee .....	966,137	1,289,809
Chickasaw .....	851,507	865,769
Clarke .....	704,718	486,676
Clay .....	981,177	1,329,217
Clayton .....	1,098,359	1,220,292
Clinton .....	2,314,238	3,189,418
Crawford .....	1,393,990	1,154,919
Dallas .....	1,453,741	1,553,847
Davis .....	848,734	473,375
Decatur .....	1,071,722	598,441
Delaware .....	826,665	946,198
Des Moines .....	1,380,888	2,776,590
Dickinson .....	732,367	853,485
Dubuque .....	1,787,148	4,735,421
Emmet .....	725,238	1,027,602
Fayette .....	1,655,440	1,640,752
Floyd .....	1,007,254	1,275,558
Franklin .....	1,030,031	1,036,255
Fremont .....	1,186,206	641,837
Greene .....	824,539	1,017,795
Grundy .....	768,424	950,502
Guthrie .....	1,488,594	841,510
Hamilton .....	1,109,481	1,332,260
Hancock .....	962,156	1,001,865
Hardin .....	1,113,248	1,591,513
Harrison .....	1,708,395	1,076,749
Henry .....	963,733	1,032,928
Howard .....	716,979	733,776
Humboldt .....	696,630	923,126
Ida .....	616,727	806,965

	Allocations For 1951 Calendar Year of State Special Tax Funds to Each County	Estimated Contributions of Citizens of Each County in State Special Tax Collections Fiscal Year Ending June 30, 1951
Iowa .....	839,426	967,705
Jackson .....	1,086,544	1,105,736
Jasper .....	2,468,682	2,001,677
Jefferson .....	928,054	881,905
Johnson .....	1,601,500	2,646,285
Jones .....	1,016,912	1,230,529
Keokuk .....	1,090,056	933,816
Kossuth .....	1,416,542	1,619,445
Lee .....	1,372,293	2,517,887
Linn .....	3,612,286	7,862,539
Louisa .....	737,893	677,295
Lucas .....	838,306	699,788
Lyon .....	1,010,387	870,466
Madison .....	1,178,993	767,789
Mahaska .....	1,348,372	1,554,609
Marion .....	1,075,792	1,350,684
Marshall .....	1,583,370	2,470,200
Mills .....	905,664	686,727
Mitchell .....	741,841	865,550
Monona .....	1,250,276	981,484
Monroe .....	1,181,596	589,883
Montgomery .....	880,595	1,040,170
Muscatine .....	1,435,382	2,163,512
O'Brien .....	918,088	1,284,479
Osceola .....	887,218	682,555
Page .....	1,294,886	1,421,412
Palo Alto .....	759,899	1,006,574
Plymouth .....	1,174,466	1,572,983
Pocahontas .....	803,324	1,030,229
Polk .....	7,444,399	18,441,502
Pottawattamie .....	2,903,707	2,853,725
Poweshiek .....	1,173,433	1,159,598
Ringgold .....	905,198	474,395
Sac .....	1,009,440	1,183,711
Scott .....	2,588,282	7,274,767
Shelby .....	1,134,803	986,507
Sioux .....	1,040,015	1,690,510
Story .....	1,504,486	2,673,880
Tama .....	1,364,566	1,377,850
Taylor .....	932,392	613,999
Union .....	932,227	934,339
Van Buren .....	854,152	514,575
Wapello .....	1,833,947	2,759,104
Warren .....	1,228,550	920,598
Washington .....	1,125,129	1,290,252
Wayne .....	1,108,996	594,279
Webster .....	1,758,903	3,177,999
Winnebago .....	696,794	876,458
Winneshiek .....	1,108,714	1,148,452
Woodbury .....	3,675,952	7,487,678
Worth .....	645,140	665,608
Wright .....	1,089,859	1,387,198
<b>Total .....</b>	<b>\$126,883,593</b>	<b>\$170,572,342</b>
		<b>Non-resident 2,343,144</b>
		<b>\$172,915,486</b>

**PROPERTY TAXES LEVIED IN IOWA 1951 (COLLECTIBLE 1952)  
AS REPORTED BY COUNTY AUDITORS**

SHOWING TOTAL PROPERTY TAXES FOR ALL PURPOSES, LEVIED IN 1951 (COLLECTIBLE 1952), INCLUDING  
MONEYS AND CREDITS TAX (EXCLUSIVE OF SPECIAL ASSESSMENTS).

	Cities and Towns		Rural Districts		State	
	Amount of Tax	Per Cent	Amount of Tax	Per Cent	Amount of Tax	Per Cent
<b>STATE TAXES (Soldiers' Bonus)</b>						
Soldiers' Compensation Tax.....	\$ 794,200.40	.729	\$ 1,328,499.57	1.306	\$ 2,122,699.97	1.008
TOTAL STATE TAX (Soldiers' Bonus)...	\$ 794,200.40	.729	\$ 1,328,499.57	1.306	\$ 2,122,699.97	1.008
<b>SCHOOL TAXES</b>						
County School tax.....	\$ 370,361.91	.340	\$ 606,573.89	.596	\$ 976,935.80	.464
County Board of Education tax.....	450,025.48	.413	917,317.71	.902	1,367,343.19	.649
District School tax (general fund).....	46,688,062.25	42.852	46,565,515.29	45.782	93,253,577.54	44.266
District School tax (school house fund).....	6,599,047.48	6.058	1,699,585.49	1.671	8,298,632.97	3.939
Special courses tax .....	1,940,770.61	1.781	918,870.83	.903	2,859,641.44	1.357
Local teachers' pension tax.....	683,746.40	.627	97,053.32	.095	780,799.72	.371
Public employees' retirement systems tax— school .....	645,352.49	.592	36,698.00	.036	682,050.49	.324
TOTAL SCHOOL TAX.....	\$ 57,377,366.62	52.663	\$ 50,844,614.53	49.985	\$ 108,218,981.15	51.370
<b>CITY TAXES</b>						
City assessors' expense fund tax.....	\$ 397,945.11	.365			\$ 397,945.11	.189
City tax .....	33,601,279.77	30.841			33,601,279.77	15.960
Public employees' retirement systems— municipal .....	53,191.24	.049			53,191.24	.025
TOTAL CITY TAX.....	\$ 34,052,416.12	31.255			\$ 34,052,416.12	16.164
<b>ROAD TAXES</b>						
Secondary Road levies, road clearing tax, weed clearing tax, bridge bond tax.....	\$ 2,459,092.82	2.257	\$ 27,463,918.92	27.001	\$ 29,923,011.74	14.204
TOTAL ROAD TAXES.....	\$ 2,459,092.82	2.257	\$ 27,463,918.92	27.001	\$ 29,923,011.74	14.204
<b>COUNTY TAXES</b>						
Includes:						
General county, court expense, poor, state and county institutions—includes state and county insane hospital taxes, also, county hospital tax—soldiers' relief, gen- eral county bond, county assessors', court house, emergency, Bang's disease, bovine T.B. eradication, county library, drainage, public employees' retirement systems— county, miscellaneous .....	\$ 14,267,865.93	13.096	\$ 22,080,493.74	21.708	\$ 36,348,359.67	17.254
TOTAL COUNTY TAXES.....	\$ 14,267,865.93	13.096	\$ 22,080,493.74	21.708	\$ 36,348,359.67	17.254
GRAND TOTAL FOR STATE.....	\$108,950,941.89	100.000	\$101,714,526.76	100.000	\$210,665,468.65	100.000

IOWA STATE TAX COMMISSION, PROPERTY TAX DIVISION  
Compiled by Vera T. Wilson, Statistician.



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