

Annual Report
for Fiscal
Year 2001
Iowa department of
Revenue and Finance



Iowa's Capitol



STATE OF IOWA

November 30, 2001

The Honorable Thomas J. Vilsack
Governor, State of Iowa
State Capitol
Des Moines, Iowa

Governor Vilsack:

I am once again pleased to submit the Annual Report of the Iowa Department of Revenue and Finance to you, the General Assembly and the taxpayers of Iowa. 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, 2001. Although this summary includes a brief discussion of the Iowa Lottery and its fundamental aims, a separate report prepared by the Lottery Division provides comprehensive information on that organization's fiscal activities.

The Department of Revenue and Finance continues to work toward the realization of many varied goals. The most important of these goals are to encourage voluntary compliance through continued taxpayer education and assistance; to enhance revenue collections from all sources; to promote and improve the financial management of state government; to increase the productivity of all operational phases; and to facilitate the professional growth of a dedicated staff.

As the director of the department, I remain committed to the equitable administration of Iowa's tax laws and the efficient collection of state tax revenues.

Sincerely,

A handwritten signature in black ink, appearing to read "G. D. Bair", with a long horizontal flourish extending to the right.

G. D. Bair, Director
Iowa Department of Revenue and Finance

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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 4 million documents are processed in a typical year.
- During “tax season” (January through April), the department employs more than 100 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 13,000 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 \$175 million in Fiscal Year 2001, with more than \$44.2 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 almost 800,000 telephone, mail, e-mail, Internet or in-person contacts.
- Taxpayer service specialists throughout the state gave nearly 400 presentations to almost 9,000 people. In addition, they contacted approximately 800 new businesses and local government offices.

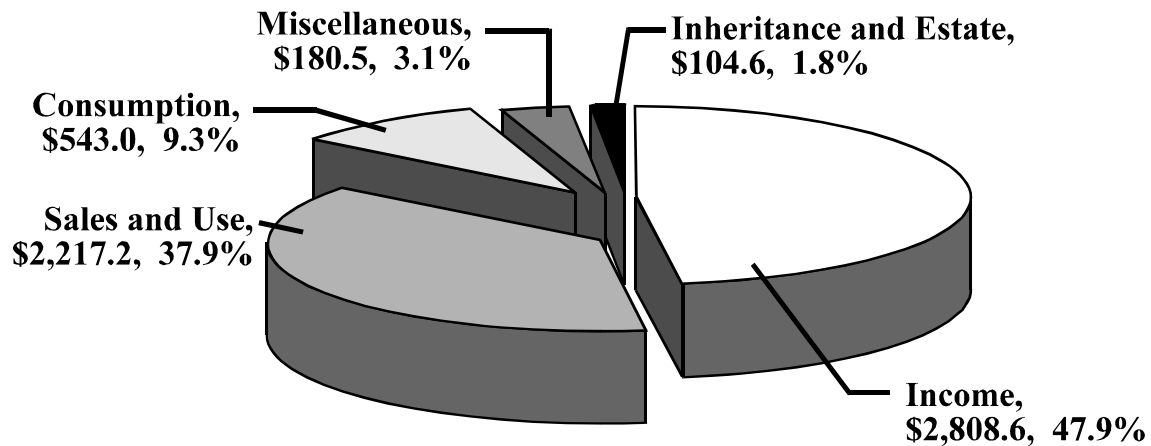
GROSS TAX COLLECTIONS AND REFUNDS

Fiscal Year 2001

Gross Tax Collections

IN MILLIONS

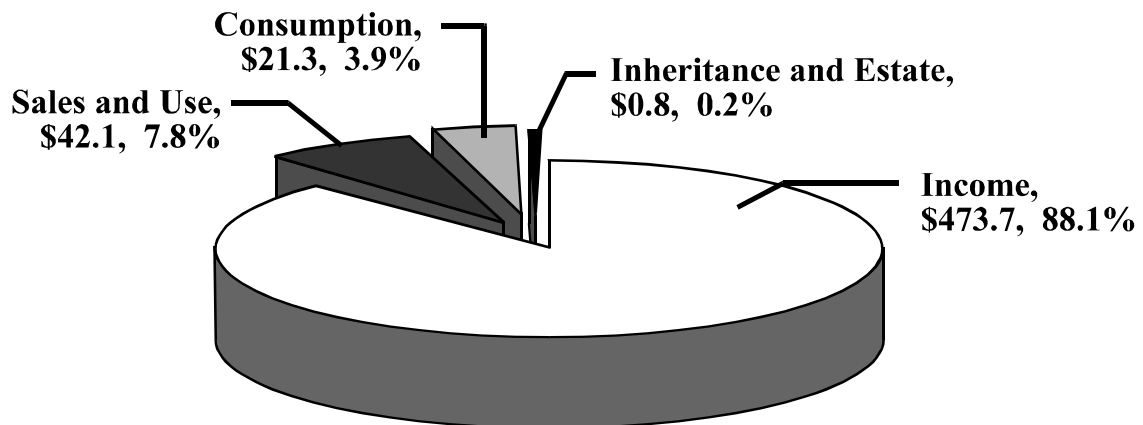
TOTAL: \$5,853.8



Tax Refunds

IN MILLIONS

TOTAL: \$537.9



GROSS COLLECTIONS, REFUNDS AND NET COLLECTIONS

Fiscal Year 2001

TAXES	GROSS COLLECTIONS	REFUNDS	NET COLLECTIONS
INCOME TAXES			
Individual Income Tax	\$2,491,106,626.23	\$383,232,478.69	\$2,107,874,147.54
Corporation Income Tax	286,215,987.43	87,688,987.66	198,526,999.77
Franchise Tax	31,246,969.37	2,729,620.21	28,517,349.16
Total Income Taxes	\$2,808,569,583.03	\$473,651,086.56	\$2,334,918,496.47
SALES AND USE TAXES			
Sales Tax ¹	\$1,729,455,824.09	\$35,249,949.00	\$1,694,205,875.09
Use Tax	249,845,834.66	6,837,215.11	243,008,619.55
Motor Vehicle Use Tax	237,854,260.43	0.00	237,854,260.43
Total Sales and Use Taxes	\$2,217,155,919.18	\$42,087,164.11	\$2,175,068,755.07
CONSUMPTION TAXES			
Motor Vehicle Fuel Taxes ²	\$446,780,146.46	\$20,685,373.00	\$426,094,773.46
Cigarette Tax	\$89,562,393.53	597,433.62	\$88,964,959.91
Tobacco Tax	6,658,888.47	10,955.33	6,647,933.14
<i>Subtotal – Cigarette and Tobacco Taxes</i>	<i>96,221,282.00</i>	<i>\$608,388.95</i>	<i>95,612,893.05</i>
Total Consumption Taxes	\$543,001,428.46	\$21,293,761.95	\$521,707,666.51
Total Inheritance and Estate Taxes	\$104,583,710.26	\$832,581.74	\$103,751,128.52
MISCELLANEOUS TAXES			
Environmental Protection Charge	\$19,366,764.03	\$0.00	\$19,366,764.03
Motor Vehicle Use 25% EPC Deposit	17,000,000.00	0.00	17,000,000.00
Real Estate Transfer Tax	10,487,388.47	0.00	10,487,388.47
Hazardous Materials Permit Fees	321,675.00	0.00	321,675.00
Insurance Premium Tax	126,610,891.04	0.00	126,610,891.04
Reimbursements	195,037.67	0.00	195,037.67
Motor Vehicle Title Surcharge	5,431,796.48	0.00	5,431,796.48
Miscellaneous	1,066,625.70	0.00	1,066,625.70
Total Miscellaneous Taxes	\$180,480,178.39	\$0.00	\$180,480,178.39
GRAND TOTAL	\$5,853,790,819.32	\$537,864,594.36	\$5,315,926,224.96

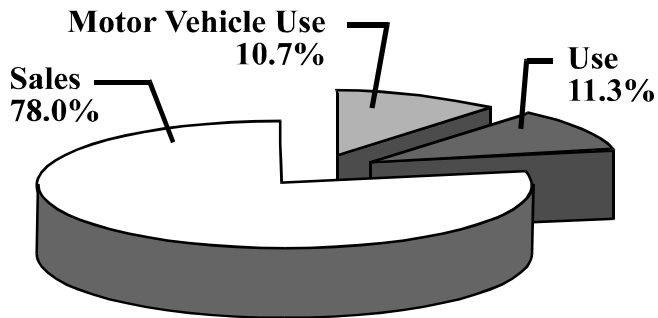
¹ Gross sales tax collections include approximately \$261.2 million in local option sales tax and hotel/motel tax collections.

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

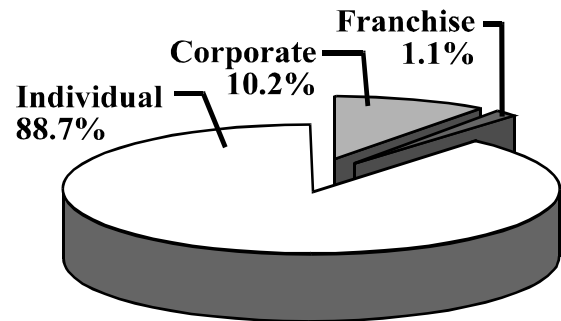
Motor fuel taxes attributed to motor vehicle use and aviation use are no longer tracked separately.

REVENUE SOURCES

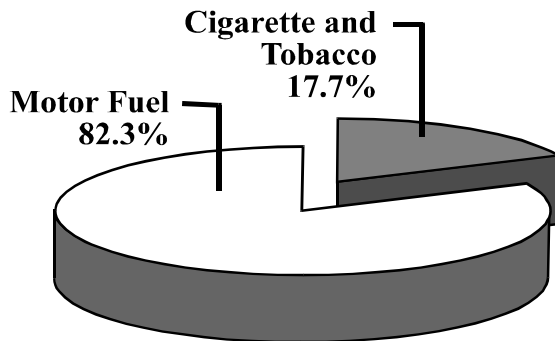
Fiscal Year 2001



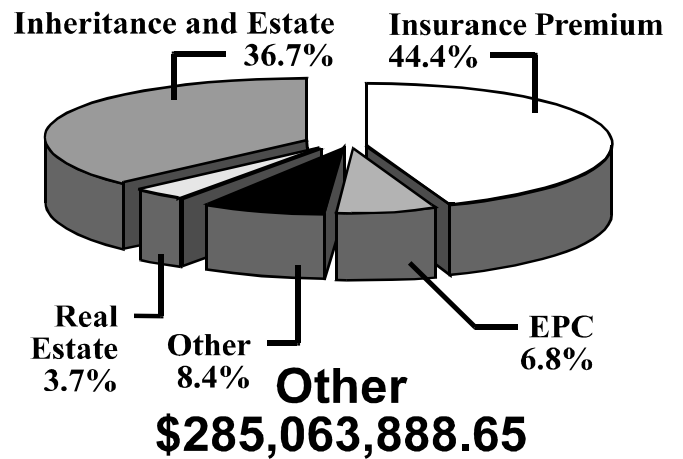
Sales/Use Taxes
\$2,217,155,919.18



Income Taxes
\$2,808,569,583.03



Consumption
\$543,001,428.46



Other
\$285,063,888.65

GROSS TAX COLLECTIONS

For Fiscal Years Ending June 30

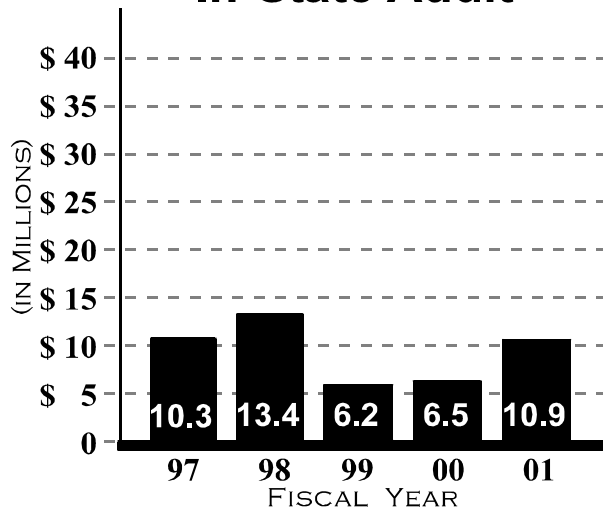
TAXES	1991	1997	1998	1999	2000	2001
Individual Income	\$1,529,973,053.47	\$2,153,261,764.25	\$2,337,939,228.15	\$2,286,318,957.45	\$2,426,817,861.99	\$2,491,106,626.23
Corporation Income	238,142,045.87	318,766,112.58	290,961,910.93	322,126,772.55	326,764,046.34	286,215,987.43
Franchise	24,988,924.28	35,642,954.14	36,406,413.20	33,755,649.04	31,764,220.33	31,246,969.37
Sales	814,453,652.38	1,370,975,491.20	1,441,241,593.45	1,544,685,945.15	1,634,157,445.67	1,729,455,824.09
Use (includes Motor Vehicle Use and Lease taxes)	225,319,698.15	422,637,334.42	454,479,529.89	473,962,226.41	497,867,508.64	487,700,095.09
MV Fuel (includes Aviation Fuel)	341,500,743.71	422,102,503.92	411,089,502.00	429,524,565.35	435,146,468.54	446,780,146.46
Cigarette	83,470,323.21	94,565,821.68	94,626,420.80	92,323,542.16	91,051,265.18	89,562,393.53
Tobacco Products	3,052,844.34	5,710,584.68	6,094,281.80	6,530,308.66	6,637,091.97	6,658,888.47
Inheritance & Estate	68,977,199.87	109,347,222.31	109,817,189.15	90,142,858.08	114,786,401.13	104,583,710.26
EPC	12,910,833.27	18,595,102.55	18,652,217.99	19,749,797.06	19,664,219.99	19,366,764.03
MV 25% EPC Dep.¹	12,000,000.00	17,000,000.00	17,000,000.00	17,000,000.00	17,000,000.00	17,000,000.00
Real Estate Transfer	3,561,975.84	8,338,561.31	9,904,731.66	10,585,141.46	10,790,752.20	10,487,388.47
Hazardous Material	396,985.00	435,405.00	235,150.00	220,875.00	439,175.00	321,675.00
Insurance Premium	92,287,989.10	105,957,053.86	108,868,140.60	114,344,548.88	120,211,667.83	126,610,891.04
Reimbursements	234,146.08	991,993.66	494,006.72	328,846.06	243,415.98	195,037.67
MV Title Surcharge	0.00	5,373,554.46	4,925,281.00	5,521,434.00	5,746,533.45	5,431,796.48
Miscellaneous	12,130.17	1,123,392.82	1,181,468.62	886,083.90	1,009,003.08	1,066,625.70
GRAND TOTAL	\$3,451,282,544.29	\$5,090,824,852.84	\$5,343,917,065.96	\$5,448,007,551.21	\$5,740,097,077.32	\$5,853,790,819.32

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.

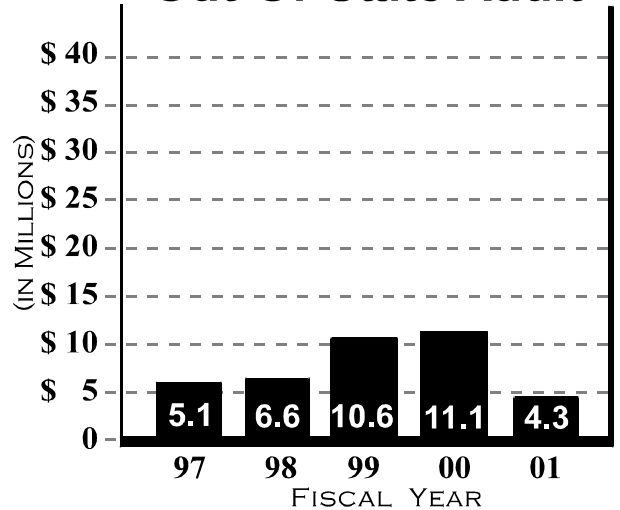
NON-COMPLIANCE COLLECTIONS

Five-Year Comparison

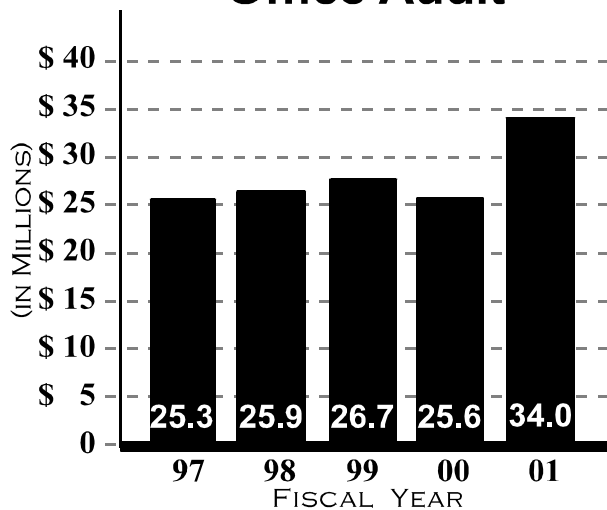
In-State Audit



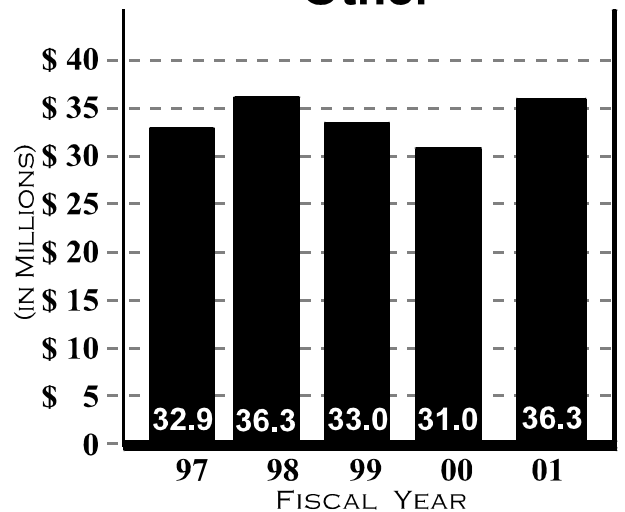
Out-Of-State Audit



Office Audit



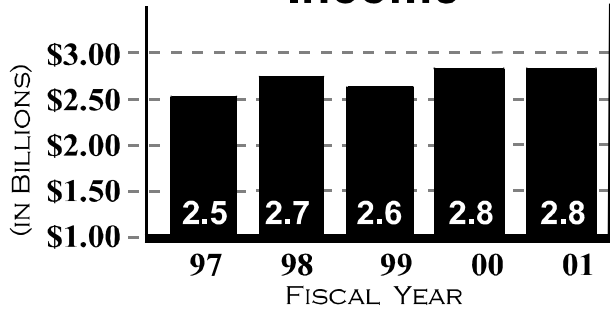
Other



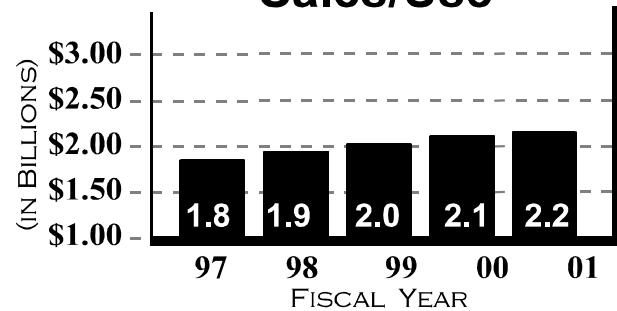
COLLECTIONS BY TAX TYPE

Five-Year Comparison

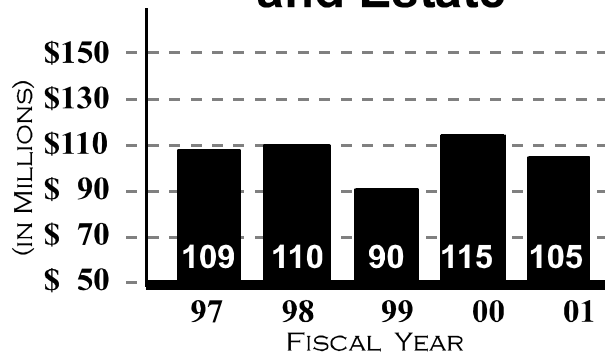
Income



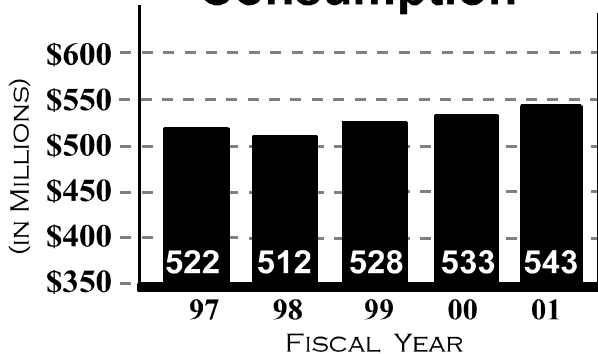
Sales/Use



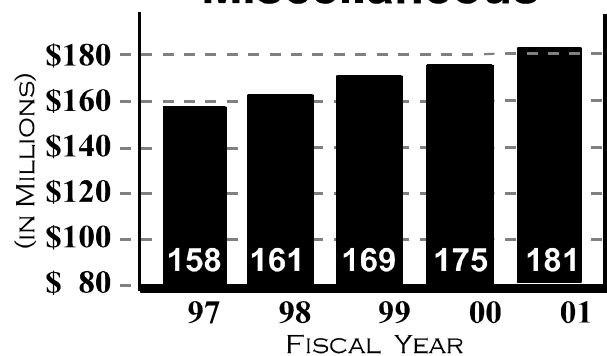
Inheritance and Estate



Consumption



Miscellaneous



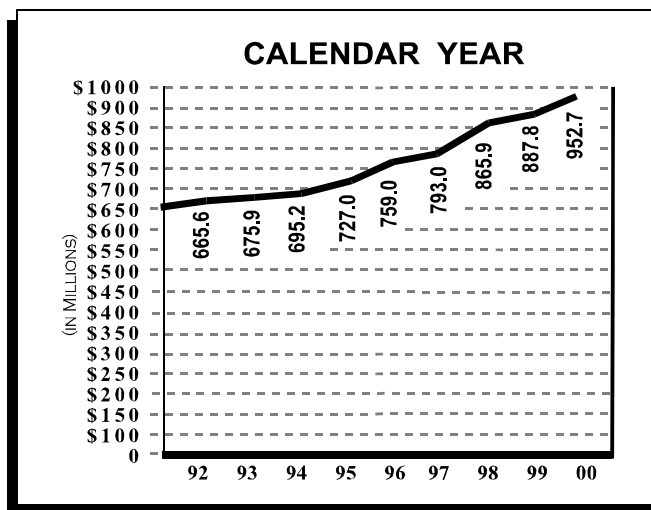
PAYROLL FACTS AND FIGURES

Calendar Year 2000

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

Net payroll checks issued in 2000	\$466.9 million
Average number of employees paid per pay period through centralized payroll	20,581
Average percentage of employees utilizing direct deposit for deposit of paycheck	81.0 %
Total payroll costs for centralized payroll in 2000 (includes all state shares)	\$952.7 million

TOTAL PAYROLL COST



Total payroll costs include the following state contributions:

State share FICA	\$55.11 million
State share IPERS	43.57 million
State share Police Retirement	5.19 million
State share TIAA-CREF Retirement	.09 million
State share Deferred Compensation	.06 million
State share Health Insurance	67.54 million
State share Dental Insurance	3.52 million
State share Life Insurance	0.38 million
State share Disability Insurance	2.60 million

Accounting for these state share disbursements, as well as mandatory and discretionary employee deductions totaling \$307.7 million, is the responsibility of the Centralized Payroll Section.

HOTEL/MOTEL TAX DISTRIBUTIONS*

Fiscal Year 2001

Adair	\$	28,678.29	Iowa County	\$	244,625.91
Altoona		405,517.21	Johnston		133,085.64
Ames		760,031.59	Keokuk		133,186.88
Anamosa		7,652.35	LeClaire		83,880.53
Ankeny		358,073.88	Lee County		208.00
Arnolds Park		135,528.74	Maquoketa		31,115.42
Bellevue		9,735.14	Marion		104,275.73
Bettendorf		798,467.88	Marshalltown		189,938.72
Bondurant		0.00	Mason City		216,707.62
Boone		90,976.76	McGregor		10,357.72
Burlington		333,304.19	Missouri Valley		78,106.76
Carter Lake		210,957.53	Monticello		7,051.60
Cedar Falls		341,507.09	Mt. Pleasant		130,450.42
Cedar Rapids		2,192,726.77	Muscatine		330,849.50
Clear Lake		204,185.50	Newton		217,048.58
Clinton		201,545.50	Okoboji		173,208.24
Clive		918,859.99	Osceola		215,161.25
Coralville		1,271,184.63	Oskaloosa		81,244.62
Council Bluffs		1,725,188.97	Ottumwa		254,445.36
Davenport		1,519,986.48	Pella		197,380.15
Decorah		183,369.15	Polk County		156,761.45
Des Moines		3,145,770.97	Sergeant Bluff		19,601.02
De Witt		23,690.81	Sioux Center		6,600.06
Dickinson County		50,689.23	Sioux City		759,889.70
Dubuque		981,071.03	Spirit Lake		75,267.62
Dyersville		53,147.44	Story City		32,944.93
Elkhorn		9,455.10	Toledo		44,339.68
Evansdale		27,616.35	Urbandale		871,186.42
Forest City		10,020.33	Wahpeton		26,755.27
Fort Dodge		266,123.80	Walcott		62,695.35
Fort Madison		95,681.93	Waterloo		733,883.19
Grinnell		62,917.25	West Des Moines		1,489,868.97
Guttenberg		10,719.37	West Union		28,026.91
Indianola		48,104.46	Williamsburg		59,376.32
Iowa City		497,205.56	Windsor Heights		16,584.16
			TOTAL		\$24,195,800.97

* Listed jurisdictions are cities unless otherwise noted

REGULAR LOCAL OPTION DISTRIBUTIONS

Fiscal Year 2001

Waukon	\$245,722.93	Lakeside	37,905.55	Spencer	\$1,201,068.29	Minburn	30,241.96
Lansing	62,756.73	Rembrandt	15,131.13	Everly	75,008.08	Total Dallas	\$762,679.70
Postville	98,351.95	Truesdale	9,016.19	Peterson	39,117.77	Lamoni	\$102,642.96
New Albin	32,398.00	Linn Grove	13,398.23	Dickens	21,039.13	Davis City	9,615.01
Harpers Ferry	17,058.25	Unincorporated	588,272.93	Fostoria	19,960.11	Decatur City	6,391.64
Waterville	7,687.59	Tot. Buena Vista	\$1,699,707.57	Greenville	7,954.79	Garden Grove	8,374.48
Unincorporated	500,761.41	Clarksville	\$48,527.71	Rossie	6,220.08	Grand River	6,181.63
Total Allamakee	\$964,736.86	Greene	43,770.75	Royal	46,943.48	Leroy	1,167.40
Mystic	\$20,459.81	Parkersburg	67,257.00	Webb	16,376.33	Pleasanton	1,873.33
Plano	2,244.87	Shell Rock	50,578.75	Gillett Grove	6,316.21	Van Wert	8,849.24
Total Appanoose	\$22,704.68	Allison	38,237.21	Clay County	639,045.04	Total Decatur	\$145,095.69
Brayton	6,981.38	Aplington	35,324.78	Total Clay	\$2,079,049.31	Manchester	\$302,198.12
Gray	4,031.42	Dumont	25,548.04	Elkader	\$84,284.85	Earlville	46,064.02
Total Audubon	\$11,012.80	New Hartford	26,169.60	Guttenberg	126,429.70	Edgewood	33,936.65
Waterloo	\$7,174,325.22	Aredale	3,389.57	Monona	82,618.81	Hopkinton	40,524.62
Cedar Falls	3,315,487.15	Bristow	6,494.26	Strawberry Point	72,860.71	Colesburg	26,489.56
Evansdale	413,506.41	Unincorporated	304,216.91	Edgewood	15,032.39	Delaware	9,556.90
Elk Run Heights	98,400.42	Total Butler	\$649,514.58	Garnaville	41,547.79	Delhi	27,831.67
Hudson	193,412.75	Atlantic	\$518,767.99	Marquette	25,820.16	Dundee	9,187.20
La Porte City	201,837.93	Anita	67,815.47	McGregor	43,567.79	Dyersville	1,825.56
Dunkerton	70,079.55	Griswold	69,435.90	Elkport	4,024.29	Greeley	15,600.37
Janesville	11,096.39	Lewis	26,841.56	Farmersburg	15,138.84	Masonville	7,351.55
Gilbertville	69,705.67	Cumberland	19,106.55	Garber	5,682.13	Ryan	22,152.12
Raymond	55,367.83	Marne	9,304.25	Littleport	4,300.47	Unincorporated	648,864.38
Unincorporated	2,168,319.99	Massena	24,372.36	Luana	10,025.94	Total Delaware	\$1,191,582.72
Tot. Black Hawk	\$13,771,539.31	Wiota	10,182.83	North Buena Vista	7,037.57	Burlington	\$3,264,117.93
Boone	\$730,889.78	Unincorporated	423,005.86	Saint Olaf	6,893.87	Mediapolis	176,377.60
Madrid	128,717.49	Total Cass	\$1,168,832.77	Volga	15,536.44	West Burlington	391,176.32
Ogden	100,399.52	Mason City	\$3,367,709.73	Millville	1,508.85	Middletown	38,742.27
Beaver	2,572.42	Clear Lake	935,325.32	Unincorporated	609,382.96	Danville	102,576.18
Berkley	1,908.27	Ventura	64,645.18	Total Clayton	\$1,171,693.56	Unincorporated	1,421,470.55
Boxholm	11,597.48	Rockwell	111,476.53	Clinton	\$2,578,274.87	Tot. Des Moines	\$5,394,460.85
Fraser	5,989.93	Dougherty	11,308.47	Dewitt	401,480.23	Milford	\$289,091.56
Luther	8,113.32	Meservey	31,061.21	Camanche	374,948.37	Spirit Lake	555,190.63
Pilot Mound	9,999.19	Plymouth	46,728.20	Delmar	42,524.88	Arnolds Park	148,117.45
Sheldahl	1,045.46	Rock Falls	15,729.61	Grand Mound	47,542.53	Lake Park	134,491.63
Unincorporated	594,583.89	Swaledale	20,899.97	Lost Nation	36,882.07	Okoboji	121,783.29
Total Boone	\$1,595,816.75	Thornton	47,752.13	Wheatland	55,722.82	Orleans	74,535.40
Sumner	\$140,819.45	Unincorporated	1,307,375.95	Andover	7,482.75	Superior	19,735.01
Tripoli	79,318.58	Tot. Cerro Gordo	\$5,960,012.30	Calamus	30,371.01	Terrill	49,906.57
Denver	50,533.40	Marcus	\$72,665.42	Charlotte	27,361.59	Wahpeton	67,403.74
Janesville	21,692.94	Aurelia	59,712.71	Goose Lake	16,710.76	West Okoboji	34,474.53
Readlyn	24,989.76	Cleghorn	15,704.60	Low Moor	21,334.96	Unincorporated	818,478.95
Frederika	11,127.50	Larrabee	8,887.36	Toronto	9,816.25	Total Dickinson	\$2,313,208.76
Plainfield	13,479.32	Meriden	10,202.14	Welton	13,880.98	Dubuque	\$6,497,446.30
Total Bremer	\$341,960.95	Quimby	18,772.43	Unincorporated	1,160,988.73	Cascade	145,695.67
Jesup	\$172,218.98	Washta	14,293.82	Total Clinton	\$4,825,322.80	Dyersville	378,596.47
Fairbank	63,754.91	Total Cherokee	\$200,238.48	Dension	\$401,506.47	Epworth	141,546.59
Hazleton	51,947.27	New Hampton	\$226,423.44	Charter Oak	30,919.34	Farley	137,389.43
Lamont	24,933.41	Nashua	84,867.90	Dow City	25,290.57	Asbury	196,997.81
Winthrop	56,687.54	Fredericksburg	53,277.14	Manilla	51,586.34	Balltown	6,743.67
Aurora	10,652.28	Lawler	28,360.68	Schleswig	51,198.04	Bankston	3,111.33
Brandon	10,093.19	Alta Vista	13,787.62	Vail	22,335.00	Bernard	11,929.79
Quasqueton	17,917.75	Bassett	3,838.44	Arion	8,002.78	Centralia	10,934.11
Rowley	9,385.88	Ionina	16,156.93	Aspinwall	3,146.34	Graf	8,642.82
Stanley	6,290.31	North Washington	5,759.24	Buck Grove	3,071.14	Holy Cross	29,049.33
Total Buchanan	\$423,881.52	Unincorporated	442,100.42	Deloit	16,401.53	Luxemburg	25,818.90
Storm Lake	\$684,852.97	Total Chickasaw	\$874,571.81	Kiron	17,294.85	New Vienna	38,286.95
Alta	129,290.33	Osceola	\$290,836.12	Ricketts	6,929.29	Peosta	12,687.98
Albert City	62,146.01	Murray	47,315.73	Westside	20,947.18	Sageville	25,601.81
Marathon	24,337.26	Woodburn	14,632.09	Unincorporated	496,846.85	Sherrill	13,287.27
Newell	77,345.60	Unincorporated	279,027.42	Total Crawford	\$1,155,475.72	Worthington	44,756.62
Sioux Rapids	58,011.37	Total Clarke	\$631,811.36	Perry	\$651,059.46	Zwingle	7,855.20
				Redfield	70,091.37		
				Bouton	11,286.91		

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REGULAR LOCAL OPTION DISTRIBUTIONS

Fiscal Year 2001

Rickardsville	17,582.39	Unincorporated	261,605.53	Williamsburg	261,235.94	Unincorporated	1,151,519.49
Unincorporated	2,505,255.79	Total Grundy	\$471,806.79	Victor	94,364.20	Total Lee	\$3,394,968.71
Total Dubuque	\$10,259,216.23			Ladora	31,739.56	Bertram	\$126,536.38
Armstrong	\$91,938.54	Britt	\$108,809.28	Millersburg	18,879.18	Prairieburg	123,464.02
Ringsted	42,958.32	Garner	150,660.40	Parnell	21,192.60	Total Linn	\$250,000.40
Total Emmet	\$134,896.86	Kanawha	39,568.16	Unincorporated	1,108,209.41		
		Klemme	30,449.18	Total Iowa	\$1,876,104.07	Chariton	\$381,620.62
Oelwein	\$417,792.22	Corwith	17,270.06	Maquoketa	\$342,788.64	Russell	37,625.96
Fayette	73,856.06	Crystal Lake	12,574.26	Bellevue	126,367.66	Derby	8,835.99
West Union	149,527.47	Goodell	9,361.82	Preston	54,675.14	Lucas	15,098.31
Arlington	26,719.62	Woden	12,358.02	Sabula	36,528.16	Williamson	10,770.65
Clermont	28,986.72	Unincorporated	327,915.50	Andrew	22,159.54	Total Lucas	\$453,951.53
Elgin	35,163.92	Total Hancock	\$708,966.68	Baldwin	6,927.20	Rock Rapids	\$127,627.73
Fairbank	8,129.35	Iowa Falls	\$398,393.15	Lamotte	15,877.21	George	50,874.63
Hawkeye	25,461.62	Ackley	109,854.84	Miles	22,281.76	Doon	21,929.52
Maynard	29,123.28	Eldora	213,949.69	Monmouth	8,454.19	Inwood	39,088.57
Randalia	4,521.80	Alden	59,812.13	Spragueville	6,047.47	Little Rock	22,576.46
St. Lucas	9,354.96	Hubbard	54,120.99	Springbrook	8,585.33	Alvord	9,254.12
Wadena	12,441.35	Radcliffe	36,912.49	Zwingle	460.93	Lester	11,762.82
Waucoma	15,082.66	Buckeye	7,187.22	St. Donatus	7,279.56	Unincorporated	335,814.45
Westgate	11,353.36	New Providence	15,079.37	Unincorporated	585,067.18	Total Lyon	\$618,928.30
Unincorporated	584,612.18	Owasa	2,566.44	Total Jackson	\$1,243,499.97		
Total Fayette	\$1,432,126.57	Steamboat Rock	23,129.20	Fairfield	\$665,702.13	Oskaloosa	\$754,621.76
Charles City	\$500,678.47	Union	28,938.43	Batavia	32,329.28	Eddyville	11,048.06
Nora Springs	88,900.46	Whitton	8,873.03	Libertyville	16,925.28	New Sharon	70,884.91
Rockford	49,913.04	Unincorporated	514,851.09	Lockridge	16,490.56	Beacon	29,485.19
Colwell	5,291.59	Total Hardin	\$1,473,668.07	Packwood	13,547.76	University Park	37,528.27
Floyd	20,780.70			Pleasant Plain	7,624.02	Barnes City	12,516.13
Marble Rock	21,847.72	Dunlap	\$78,221.47	Unincorporated	487,589.76	Fremont	46,145.46
Rudd	25,314.73	Logan	99,080.77	Total Jefferson	\$1,240,208.79	Leighton	8,834.89
Unincorporated	447,051.29	Missouri Valley	200,274.78	Anamosa	\$257,852.77	Rose Hill	10,369.86
Total Floyd	\$1,159,778.00	Woodbine	98,020.48	Monticello	190,826.17	Koemah Village	6,250.02
Hampton	\$213,048.65	Little Sioux	11,669.92	Cascade	16,157.93	Unincorporated	662,081.17
Sheffield	56,369.11	Magnolia	12,494.25	Olin	33,605.53	Total Mahaska	\$1,649,765.72
Dows	4,277.16	Modale	20,614.78	Oxford Junction	28,699.38	Marshalltown	\$2,121,933.21
Alexander	1,823.77	Mondamin	38,110.37	Wyoming	33,001.74	State Center	92,383.05
Coulter	12,013.85	Persia	29,558.14	Center Junction	7,887.05	Albion	42,806.66
Geneva	8,029.95	Pisgah	24,071.68	Morley	3,965.93	Gilman	42,778.05
Hansell	4,066.22	Total Harrison	\$612,116.64	Onslow	10,235.06	Melbourne	49,126.20
Latimer	20,703.99	Mt. Pleasant	\$570,025.38	Unincorporated	517,183.98	Clemons	12,112.65
Popejoy	4,054.05	New London	132,856.56	Total Jones	\$1,099,415.54	Ferguson	11,592.36
Unincorporated	313,194.28	Wayland	61,017.37	Algona	\$391,910.59	Laurel	19,761.90
Total Franklin	\$637,581.03	Winfield	72,145.97	Bancroft	52,622.02	LeGrand	61,198.03
Hamburg	\$66,718.83	Coppock	2,156.01	Burt	33,508.26	Liscomb	18,699.66
Sidney	64,136.52	Hillsboro	11,239.85	LuVerne	17,426.68	Rhodes	19,318.45
Tabor	45,557.28	Mount Union	9,557.16	Swea City	40,761.46	Saint Anthony	7,916.36
Farragut	25,516.16	Olds	14,107.57	Titonka	36,744.76	Haverhill	10,069.49
Imogene	4,311.56	Rome	7,889.38	Wesley	28,438.68	Unincorporated	889,066.60
Randolph	11,884.61	Salem	28,914.92	West Bend	317.02	Total Marshall	\$3,398,762.67
Riverton	16,256.25	Westwood	7,443.56	Whittemore	32,445.10	Malvern	\$66,566.10
Thurman	11,594.17	Unincorporated	654,464.32	Fenton	20,827.29	Emerson	23,999.83
Unincorporated	255,874.41	Total Henry	\$1,571,818.05	Lakota	16,069.50	Tabor	3,676.67
Total Fremont	\$501,849.79	Cresco	\$209,300.21	Ledyard	9,984.68	Henderson	10,390.84
Fremont County – City of		Elma	33,954.95	Lone Rock	11,023.36	Total Mills	\$104,633.44
Shenandoah	\$113,851.31	Lime Springs	23,884.90	Unincorporated	617,662.06	Osage	\$179,478.43
Tot. Shenandoah	\$113,851.31	Riceville	15,894.85	Total Kossuth	\$1,309,741.46	St. Ansgar	56,925.42
		Chester	8,679.16	Fort Madison	\$958,007.81	Riceville	27,493.28
Grundy Center	\$112,922.55	Protivin	15,957.66	Keokuk	1,040,835.56	Stacyville	23,894.15
Dike	38,895.85	Unincorporated	314,733.46	Donnellson	68,804.31	Carpenter	5,060.30
Wellsburg	28,567.20	Total Howard	\$622,405.19	Montrose	68,311.20	McIntire	7,138.88
Beaman	8,348.98	Galva	\$32,339.89	West Point	77,285.08	Mitchell	8,134.48
Holland	8,869.19	Total Ida	\$32,339.89	Franklin	10,309.34	Orchard	4,381.17
Morrison	4,940.91	Marengo	\$243,635.43	St. Paul	8,958.87	Unincorporated	326,393.00
Stout	7,656.58	North English	96,847.75	Houghton	10,937.05	Total Mitchell	\$638,899.11

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REGULAR LOCAL OPTION DISTRIBUTIONS

Onawa	\$151,497.70	Kingsley	\$91,359.92	Chatsworth	6,311.82	Spillville	27,459.43
Mapleton	65,628.74	Merrill	47,217.82	Granville	20,406.93	Unincorporated	926,225.39
Ute	19,521.11	Hinton	51,762.03	Matlock	6,097.15	Tot. Winneshiek	\$1,775,917.18
Whiting	40,426.98	Oyens	7,215.75	Maurice	16,001.03	Sioux City	\$8,520,329.22
Blencoe	12,478.05	Struble	3,919.38	Sheldon	4,607.10	Moville	118,617.36
Castana	7,560.11	Westfield	9,289.18	Unincorporated	880,503.65	Anthon	59,442.95
Moorhead	12,517.85	Total Plymouth	\$210,764.08	Total Sioux	\$2,325,787.85	Correctionville	81,680.33
Rodney	3,437.46	Polk City	\$1,017,215.87	Ames	\$4,681,939.96	Danbury	40,407.92
Soldier	9,826.51	Sheldahl	59,962.13	Nevada	604,501.17	Sergeant Bluff	274,223.57
Turin	4,450.95	Total Polk	\$1,077,178.00	Story City	281,611.49	Sloan	87,285.63
Unincorporated	279,526.90	Council Bluffs	\$5,940,617.08	Cambridge	63,460.55	Cushing	21,958.93
Total Monona	\$606,872.36	Avoca	147,722.95	Colo	71,238.35	Hornick	20,826.75
Red Oak	\$428,898.05	Carter Lake	314,131.21	Maxwell	71,060.25	Lawton	44,447.00
Villisca	80,648.64	Oakland	141,337.41	Roland	96,017.03	Oto	10,773.11
Stanton	41,460.42	Carson	68,940.33	Slater	124,012.30	Pierson	32,447.82
Coburg	3,283.78	Neola	86,529.31	Zearing	55,224.04	Salix	33,226.63
Elliott	24,184.89	Walnut	85,609.55	Collins	42,445.92	Smithland	22,574.72
Grant	7,090.43	Crescent	40,459.27	Gilbert	74,606.76	Bronson	19,210.58
Unincorporated	299,823.23	Hancock	19,630.48	Kelley	23,213.82	Unincorporated	1,740,337.39
Tot. Montgomery	\$885,389.44	Macedonia	25,139.16	Huxley	188,745.85	Tot. Woodbury	\$11,127,789.91
Muscatine	\$2,262,569.54	McClelland	13,039.90	McCallsburg	27,554.11	Manly	\$51,037.00
West Liberty	282,827.77	Minden	52,520.57	Sheldahl	13,384.36	Northwood	77,230.61
Wilton	244,899.69	Treynor	91,596.40	Unincorporated	1,485,847.52	Fertile	13,943.68
Atalissa	29,871.13	Underwood	49,907.57	Total Story	\$7,904,863.48	Grafton	10,490.41
Conesville	28,241.23	Unincorporated	2,390,512.68	Ottumwa	\$2,035,547.54	Hanlontown	7,918.36
Nichols	31,623.83	Tot. Pottawattamie	\$9,467,693.87	Eldon	76,568.22	Joice	9,407.06
Stockton	16,035.40	Davenport	\$12,438,772.54	Eddyville	62,597.18	Kensett	11,211.89
Fruitland	43,154.52	Bettendorf	3,717,128.32	Agency	45,866.57	Unincorporated	180,156.89
Unincorporated	1,297,417.95	Buffalo	165,197.10	Blakesburg	24,061.19	Total Worth	\$361,395.90
Tot. Muscatine	\$4,236,641.06	Durant	205.78	Kirkville	12,258.91	Eagle Grove	\$84,748.43
Sheldon	\$316,432.67	LeClaire	333,082.32	Unincorporated	947,282.70	Belmond	55,831.54
Hartley	91,156.90	Blue Grass	143,163.46	Total Wapello	\$3,204,182.31	Dows	11,871.69
Paulina	71,073.36	Eldridge	417,798.99	Fort Dodge	557,552.40	Goldfield	15,818.93
Primghar	55,264.73	Princeton	103,992.63	Gowrie	20,884.09	Galt	879.02
Sanborn	79,370.37	Walcott	165,290.53	Dayton	16,619.58	Rowan	3,904.91
Sutherland	41,107.60	Dixon	25,786.99	Lehigh	11,021.67	Woolstock	4,913.79
Archer	8,345.88	Donahue	36,837.79	Otho	9,916.22	Unincorporated	110,485.67
Calumet	9,282.35	Long Grove	67,505.28	Stratford	631.20	Total Wright	\$288,453.98
Unincorporated	368,301.40	Maysville	19,420.38	Badger	11,049.60	Grand Total	\$153,501,204.88
Total O'Brien	\$1,040,335.26	McCausland	35,991.97	Barnum	3,370.58		
Clarinda	\$333,657.39	New Liberty	14,698.88	Callendar	7,321.49		
Shenandoah	314,343.59	Panorama Park	14,406.00	Clare	3,837.21		
Essex	48,688.46	Riverdale	87,480.20	Duncombe	9,416.92		
Blanchard	3,359.22	Unincorporated	3,327,822.28	Harcourt	5,764.90		
Braddyville	10,842.59	Total Scott	\$21,114,581.44	Moorland	4,188.10		
Coin	13,772.82	Elk Horn	\$38,000.20	Venct	4,083.33		
College Springs	11,402.87	Shelby	35,867.07	Unincorporated	277,445.02		
Hepburn	1,951.74	Defiance	18,572.39	Total Webster	\$943,102.31		
Northboro	3,767.33	Earling	26,604.68	Forest City	\$242,881.17		
Shambaugh	9,205.04	Irwin	27,773.17	Buffalo Center	60,800.91		
Yorktown	4,866.11	Kirkman	5,074.01	Lake Mills	120,802.41		
Unincorporated	321,109.28	Portsmouth	11,620.42	Thompson	27,880.10		
Total Page	\$1,076,966.44	Tennant	4,418.41	Leland	15,894.11		
Emmetsburg	\$185,005.06	Westphalia	8,191.35	Rake	14,130.69		
Graettinger	36,492.58	Total Shelby	\$176,121.70	Scarville	4,673.37		
Ruthven	32,152.32	Hawarden	\$176,153.56	Unincorporated	263,622.01		
West Bend	38,040.86	Alton	76,746.84	Tot. Winnebago	\$750,684.77		
Ayshire	8,379.59	Hull	125,890.88	Decorah	\$622,128.24		
Curlew	2,447.26	Orange City	354,680.30	Calmar	75,793.24		
Cylinder	5,040.00	Rock Valley	179,085.54	Ossian	61,082.41		
Mallard	16,452.03	Sioux Center	346,197.70	Castalia	12,297.10		
Rodman	2,538.14	Boyden	46,204.77	Fort Atkinson	24,992.39		
Unincorporated	233,724.04	Hospers	44,540.06	Jackson Junction	6,055.37		
Total Palo Alto	\$560,271.88	Ireton	42,360.52	Ridgeway	19,883.61		

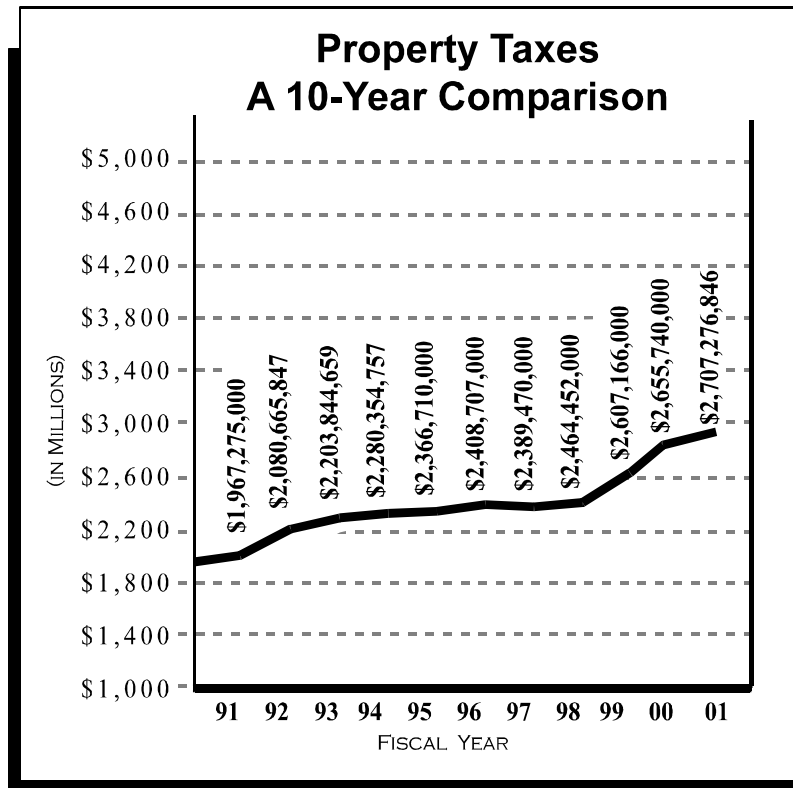
SCHOOL LOCAL OPTION DISTRIBUTIONS

Fiscal Year 2001

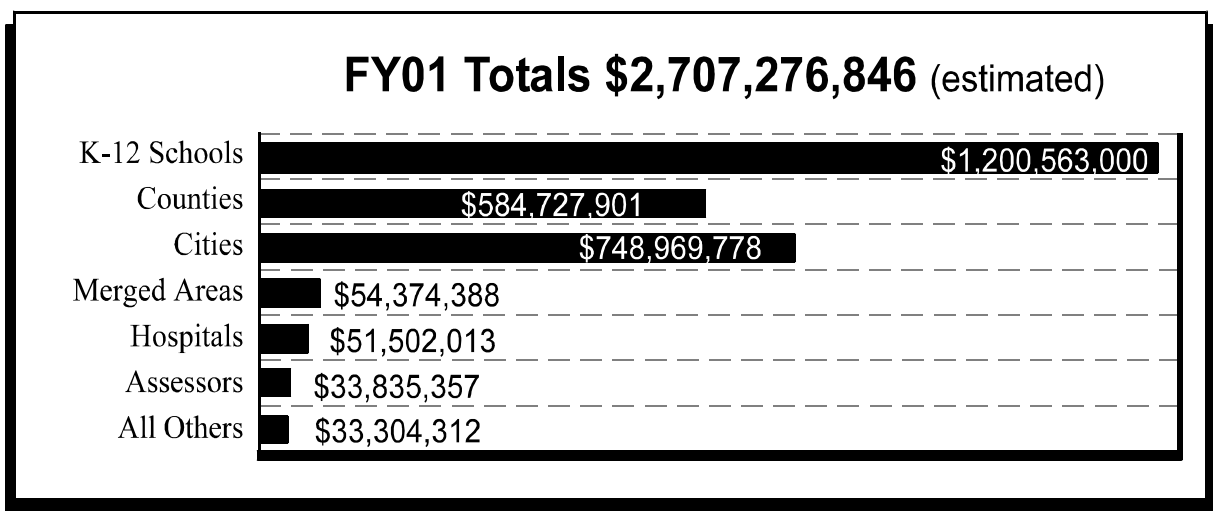
Cedar Falls	3,410,705.65	Boyer Valley	3,616.13	Bennett	67,959.12
Denver	97,173.32	Charter Oak—Ute	38,462.43	Bettendorf	3,197,402.73
Dike—New Hartford	10,883.41	East Monona	63,512.31	Calamus Wheatland	30,286.12
Dunkerton	420,099.68	Maple Valley	149,576.11	Davenport	13,079,102.00
Gladbrook—Reinbeck	33,427.61	West Monona	238,861.53	Durant	63,527.01
Hudson	632,792.64	Westwood	18,738.12	North Scott	2,224,700.89
Janesville	122,049.69	Whiting	82,447.66	Pleasant Valley	2,302,336.81
Jesup	104,947.17	Woodbine	657.48	Total Scott	\$20,965,314.68
Union	527,845.45	Total Monona	\$595,871.77	A-H-S-T	79,438.34
Vinton—Shellsburg	0.00	Essex	785.40	Boyer Valley	6,539.43
Wapsie Valley	18,657.28	Griswold	49,266.20	Elk Horn—Kimballton	61,968.76
Waterloo	8,494,424.82	Nishna Valley	2,856.01	Harlan	524,803.81
Waverly—Shell Rock	6,219.09	Red Oak	504,300.23	IKM	112,042.01
Total Black Hawk	\$13,879,225.81	Shenandoah	0.00	Manning	7,785.02
Burlington	3,749,929.23	Stanton	101,031.41	Tri-Center	9,030.62
Danville	339,948.25	Villisca	133,447.13	Walnut	8,719.23
Fort Madison	12,141.02	Total Montgomery	791,686.38	Woodbine	934.20
Mediapolis	698,465.12	Columbus	75,706.93	Total Shelby	\$811,261.42
Morning Sun	9,998.48	Davenport	42,111.98	Eagle Grove	19,114.99
New London	10,712.66	Durant	65,344.54	Fort Dodge	1,597,651.75
Wapello	1,428.36	Louisa-Muscatine	206,585.28	Gilmore City - Bradgate	2,885.28
West Burlington	342,804.96	Muscatine	2,607,441.33	Humboldt	14,534.60
Winfield - Mt. Union	2,142.54	West Liberty	554,269.37	Manson NW Webster	140,657.41
Total Des Moines	\$5,167,570.62	Wilton	384,591.21	Prairie Valley	235,222.46
Clay Central-Everly	2,536.39	Total Muscatine	3,936,050.64	Southeast Webster	199,553.19
Estherville-Lincoln-Central	13,768.95	Clarinda	168,102.44	Stratford	11,901.79
Harris-Lake Park	90,947.59	Essex	43,616.64	Webster City	50,492.40
Hartley-Melvin-Sanborn	362.34	New Market	1,960.66	Total Webster	\$2,272,013.87
Okoboji	366,942.69	Shenandoah	168,536.35	Anthon—Oto	184,667.24
Spirit Lake	458,687.43	South Page	61,680.42	Battle Creek—Ida Grove	5,930.22
Terril	59,206.51	Stanton	1,607.09	Kingsley—Pierson	83,118.43
Total Dickinson	992,451.90	Villisca	4,178.45	Lawton—Bronson	378,348.42
Armstrong—Ringsted	143,200.21	Total Page	449,682.05	Maple Valley	131,528.06
Estherville Lincoln Central	557,540.60	Ankeny	4,744,434.66	River Valley	133,279.88
Graettinger	16,634.36	Ballard	4,949.77	Sergeant Bluff—Luton	704,273.66
Terril	7,413.14	Bondurant-Farrar	736,607.91	Sioux City	8,630,080.14
Total Emmet	724,788.31	Carlisle	215,314.89	Westwood	398,451.89
Farragut	56,812.67	Collins-Maxwell	43,722.94	Woodbury Central	370,639.13
Fremont-Mills	70,126.66	Dallas Center	824,713.77	Total Woodbury	\$11,020,317.07
Hamburg	52,091.40	Des Moines	26,262,806.46	Grand Total	\$116,601,570.89
Shenandoah	9,285.18	Johnston	3,143,597.35		
Sidney	70,378.46	Madrid	39,598.13		
Total Fremont	258,694.37	North Polk	716,231.36		
Central Lee	585,106.36	PCM (Prairie City-Monroe)	3,299.85		
Fort Madison	1,417,538.14	Saydel	1,249,156.33		
Harmony	29,855.04	Southeast Polk	3,612,092.84		
Keokuk	1,270,515.18	Urbandale	2,675,679.33		
Mt. Pleasant	6,285.26	West Des Moines	7,107,288.67		
Total Lee	\$3,309,299.98	Woodward	47,847.76		
		Total Polk	51,427,342.02		

PROPERTY TAXES

10-Year Comparison



FY 01 Property Tax Levied By Type of Taxing Authority



LOCAL GOVERNMENT SERVICES

FY 01 Assistance Programs

PROGRAM	DESCRIPTION	ELIGIBILITY	FILING REQUIREMENTS
<i>FY 01 Payments</i>			
Homestead Credit <i>\$114,648,949.86</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>\$9,794,916.81</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 \$16,863.	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>\$107,210.85</i>	Enacted as a supplement to the Disabled and Senior Citizens Property Tax Credit. The objective is to provide mobile home owners with equivalent aid.	Must be an Iowa resident, 23 or older. Household income must be less than \$16,683.	On or before June 1 of each year, each mobile 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>\$48,449.62</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 \$8,687.	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 01 Payments</i>			
Pollution Control and Recycling Exemption <i>exemption only</i>	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.
Impoundment Structures Exemption <i>exemption only</i>	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 before July 1.
Low-Rent Housing Exemption <i>exemption only</i>	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.
Ag Land Credit <i>\$28,976,500.00</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 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.
Computers and Industrial Machinery and Equipment Special Valuation <i>\$41,631,939.96</i>	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.

Local Government Services, continued

PROGRAM	DESCRIPTION	ELIGIBILITY	FILING REQUIREMENTS
<i>FY01 Payments</i>			
Family Farm Land Credit \$10,000,000.00	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 be approved by the Department of Natural Resources.	Application filed with assessor by February 1.
Property Tax Replacement \$56,287,557.00	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 \$2,617,676.39	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 01 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.
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 approval 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 July 2001

TAX	RATE OF TAX <i>FY01 Collections</i>	DESCRIPTION	DISTRIBUTION OF FUNDS	DUE DATES OF RETURNS
Automobile Rental Tax	5% sales tax on the rental charge for certain vehicles \$3,267,788.00	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 \$89,562,393.53	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 \$286,215,987.43	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 co-operative'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 \$202,233.00	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 \$19,366,764.03	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>FY01 Collections</i>	DESCRIPTION	DISTRIBUTION OF FUNDS	DUE DATES OF RETURNS
Franchise Tax	5% of taxable income \$31,246,969.37	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% \$24,195,800.97	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 \$1,162 .72% on second \$1,162 2.43% on next \$2,324 4.50% on next \$5,810 6.12% on next \$6,972 6.48% on next \$5,810 6.80% on next \$11,620 7.92% on next \$17,430 8.98% on all over \$52,290 \$2,491,106,626.23	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. \$42,115,026.00 <i>Calendar 2000</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 <i>FY01 Collections</i>	DESCRIPTION	DISTRIBUTION OF FUNDS	DUE DATES OF RETURNS
Individual Income Emergency Medical Services Surtax	Upto 1% of state income tax liability. Only Appanoose County imposes this tax (at a rate of 1%). \$50,274.00 <i>Calendar 2000</i>	A county may impose the surtax by ordinance at the rate set by the board of supervisors not to exceed 1%.	County impos- ing 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. \$104,583,710.26	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. \$126,610,891.04	This tax is administered by the Commerce Department, with the Department of Revenue and Finance serving as a depository 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%. \$153,501,204.77 <i>Fiscal Year 2001 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 corre- sponding 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 dis- bursement to local jurisdic- tions 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 and again when the home is more than nine years old.	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 <i>FY01 Collections</i>	DESCRIPTION	DISTRIBUTION OF FUNDS	DUE DATES OF RETURNS
Motor Vehicle Fuel Tax	Gasoline 20¢/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 ft. 3 \$446,780,146.46	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>	Effective January 1, 1997, 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. \$2,707,276,846.00 <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 (1) agricultural realty (assessed according to its productivity) and (2) computers and industrial machinery and equipment, which is assessed as a percent of its acquisition cost if acquired prior to January 1, 1994 (6% for 2001). Exempt if acquired after December 31, 1993.	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 <i>FY01 Collections</i>	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. \$10,487,388.47	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%. \$116,601,570.89 <i>Fiscal Year 2001 Distributions</i>	Tax is imposed countywide. With a few exceptions, it is imposed on sales and services taxed under state sales 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% \$1,729,455,824.09	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. \$6,658,888.47	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% \$249,845,834.66	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)

Integrated Revenue Information System (IRIS)

Report of FY 2001 Activity

The department's efforts to improve the service provided to both our internal and external customers were the cornerstone of the FY 2001 automation efforts. The key to many of these efforts was the recognition that regardless of the form in which the service was delivered, the creation and support of a stable and secure infrastructure was a requirement. Within this context the efforts continued to include additional tax systems within the agency's Integrated Revenue Information System. Additionally, by partnering with the state's Information Technology Department, the agency was able to achieve efficiencies in operations and support of necessary infrastructure while introducing several new electronic services.

E-Service Delivery – Prior to this fiscal year, the department invested time and effort in strategic planning of the agency's interactive Web applications. Having achieved great success with information distribution efforts (such as the department's home page and Iowa Tax Research Library) and the State Electronic Income Tax Return Filing program, the agency chose to begin transactional processing for other taxes via the Internet. As a result, the agency now offers customers with the capability to:

- file income tax via the Internet and telephone
- register for tax permits
- request electronic funds transfers to satisfy payment obligations
- verify sales tax permits issued to other taxpayers
- review history of tax payments
- order bulk shipments of tax forms

Nearly 50,000 transactions were completed by department customers in the last six months of the fiscal year as these applications were implemented. In addition, the use of the federal/state electronic filing program increased by 24 percent. As a result, one-third of the income tax returns are filed electronically. This compares to less than 15 percent just 3 years ago.

Business Tax Redesign – Another large step toward having all major tax transaction components in IRIS was nearly completed, as Business Tax Redesign development moved forward during the last eight months of the fiscal year. Business taxes include sales tax, retailers use tax, consumers use tax, hotel/motel, auto rental, and both regular and school infrastructure local option taxes. Detailed design for these taxes began in November 2000, with all design aspects completed by the end of the fiscal year. Most development was completed during the fiscal year, with a timely completion date of October 2001. This application will bring close to another million transactions per year into IRIS.

Tax Gap – The department continued its partnership with previously selected vendors to improve compliance with the state’s tax laws. This effort, operating under the program name of the Tax Gap Project, has resulted in the creation of a comprehensive set of data, which is now available in an information warehouse. During the past year, the agency and its partners have developed numerous programs to identify potential leads and to assess individuals and businesses for the liability found to be due. These efforts include the development of numerous program sets that can be re-used in the future to generate new leads once additional data has been provided. In addition, design and most programming was completed of interfaces required between the Audit Component being created by our partners and the department’s Integrated Revenue Information System. With additional programming efforts to be completed during fiscal 2002, it is anticipated that the development of nearly the entire Audit Component will be completed

Collection Support – The department’s emphasis on e-services continued in the collection area with steps taken to allow taxpayers to pay past-due debt with credit cards or to have payments automatically debited from their bank accounts through an electronic funds transfer (EFT) process. Collection efforts were also enhanced through improvements to the department’s accounts receivable and collections systems. For example, additional billing and tracking functionality was added to these systems. Improvements were made in the process used to identify delinquent taxpayers requiring bonding in order to ensure uniform criteria is applied to all delinquent taxpayers. Other enhancements and process changes were made to provide the customer with accurate billings and to ensure the effectiveness of the department as a principal source of debt collection within Iowa state government.

Compliance Report

FY 00/01

In an effort to improve compliance on the part of taxpayers, the department has continued to stress technology and accessibility to information by the taxpayers of the State of Iowa, so that lack of knowledge by taxpayers is not a deterrent to compliance.

Education, 24-hour access, available information and improved systems for detection of non-compliance has either been accomplished or is in the process of implementation. The department continues to develop and provide self-help options to taxpayers, so those who truly need to discuss their tax issues with a department employee will have better access to our employees.

From an education/taxpayer service perspective, personnel responded to 155,000 phone calls; and 618,334 visits were made to the agency’s Web site, which is an increase of almost 400,000 from the previous year. Almost 9,000 people attended education presentations made by agency staff. In addition, staff responded to 7,700 e-mails. More and more taxpayers are using the agency’s Web site, which is available on a 24/7 basis.

Four hundred seventy-five thousand tax returns were received electronically. The impact can be seen in a reduction in forms orders, refund calls and calls for error resolution assistance.

Agency 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.

These programs generated a total of \$61.4 million in collections and refund reductions. Of this, office examination programs generated \$34.0 million in collections. In-state field auditing of Iowa businesses generated \$10.8 million in collections. Out-of-state field auditing of multi-state businesses generated \$4.3 million in collections. The balance is a reduction in refunds claimed as a result of an office exam or field audit.

In addition, the agency has implemented a data warehousing system to enhance its capabilities of detecting non-compliance. This system generated over \$4 million in additional revenue in its first year

Other non-compliance programs exist for delinquent accounts, business tax non-filers, special events such as fairs, carnivals, flea markets and drug tax enforcement. These activities generated \$36.3 million in FY 01.

Individual Income Tax Abatements

Calendar 2000

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 2000:

<i>Number of Returns</i>	<i>TAX</i>	<i>FEES and PENALTY</i>	<i>INTEREST</i>	<i>TOTAL</i>
1,602	\$2,158,035.25	\$279,313.56	\$886,286.54	\$3,323,635.35

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

Cigarette Tax

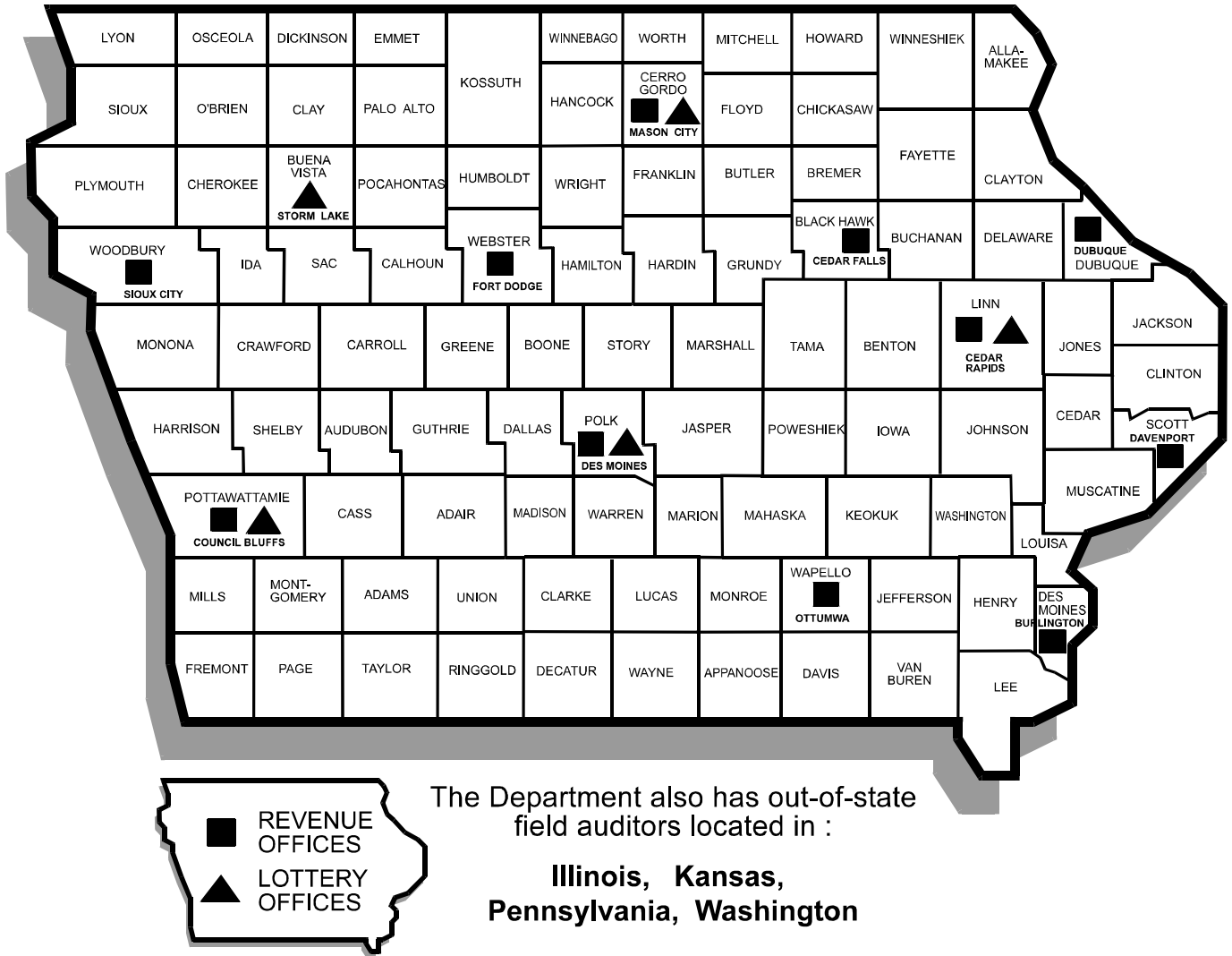
1921	tax enacted at	2¢/package	1971	rate changed to	13¢
1953	rate changed to	3¢	1981	rate changed to	18¢
1959	rate changed to	4¢	1985	rate changed to	26¢
1963	rate changed to	5¢	1988	rate changed to	34¢
1965	rate changed to	8¢	1989	rate changed to	31¢
1967	rate changed to	10¢	1991	rate changed to	36¢

Motor Fuel / Diesel Fuel Tax

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

FIELD OFFICES

State of Iowa Department of Revenue and Finance



FOR MORE INFORMATION...

To receive forms and publications

by mail:

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

by fax:

1-800-572-3943

by Internet:

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

by e-mail:

idrf@idrf.state.ia.us

To listen to pre-recorded tax information:

515/281-4170 or 1-800-351-4658

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:

by phone:

515/281-3114 or

1-800-367-3388 (Iowa, Omaha and Rock Island/Moline)

by TDD for hearing impaired:

515/242-5942

by e-mail:

idrf@idrf.state.ia.us

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