## **CPA**

## Practice **Advisor**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

told lawmakers Tuesday lowa's natural resources are in such need of upgrading and protecting that the state should boost its sales tax to raise \$150 million for that effort.

Feb. 27, 2013

Representatives of conservation, hunting, wildlife, parks and environmental groups told lawmakers Tuesday Iowa's natural resources are in such need of upgrading and protecting that the state should boost its sales tax to raise \$150 million for that effort.

Members of a Senate Natural Resources and Environment subcommittee responded by approving a measure that would increase the state's 5-cent sales tax by threeeighths of a penny to provide sustainable funding through the constitutionally protected natural resources trust fund.

"This is something we really need to do," said Sen. Rob Hogg, D-Cedar Rapids, who joined Democratic Sens. Dick Dearden of Des Moines and Dennis Black of Grinnell in supporting Senate Study Bill 1117. GOP Sens. Sandra Greiner of Washington and Dan Zumbach of Ryan declined to sign the subcommittee report.

If approved, the sales tax increase would cost about \$50 per Iowa family annually and would generate \$150 million to be allocated for watershed protection, soil, water and natural resource programs, lake restoration, trails, resource protection and enhancement, and local conservation partnership programs, backers said.

"It's probably the most important piece of legislation that I've worked on since I've been here, I guarantee you," Dearden said.

However, within minutes after the bill cleared subcommittee it hit a major barrier when Gov. Terry Branstad told reporters "I don't think we should be raising taxes,"

saying his objective is to reduce property taxes, make Iowa more competitive and

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

threatened," Delaney said.

Matt O'Connor of Pheasants Forever said the cost will only grow in coming years if action isn't taken now. "This is not going to go away," he told the five-member Senate panel.

Greiner said she viewed the 2010 vote to earmark the first three-eights of a 1 percent state sales tax increase to the resources trust fund as a way to slow the growth of government, but she said the Senate plan to simply boost the tax in this manner would lead to creative budgeting to spend more from the state's general fund.

"I don't support raising taxes," she said, and she suspected the bill would die in the GOP-led Iowa House if it makes it through the Senate, where Democrats hold a 26-24 edge. "I think when it passes the Senate that will be the end of it."

Greiner also said proposed sales tax increase would create headaches for retailers that would have to assess the extra fraction of a penny on eligible sales.

"Do you realize how much it would cost to recalculate every cash register in this state? It doesn't make sense," she said.

However, Dearden, said he worked in a grocery store in the 1950s when the state sales tax was 2.5 percent and it wasn't that big of a deal to calculate the tax. "With computers today, it's so simple," he said.

\_\_\_\_\_

Copyright 2013 – The Gazette, Cedar Rapids, Iowa

Sales Tax

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us