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## **Continued efforts to improve Iowa’s business climate, support for economic development programs needed**

*Iowa Chamber Alliance announces 2019 legislative priorities*

**DES MOINES, IOWA** (December 12, 2018) – The Iowa Chamber Alliance highlighted the importance of continuing to update Iowa’s tax code with more competitive rates for corporate income taxes and reform of Iowa’s property taxes along with strong support for economic development incentives and programs during their annual news conference. The Alliance also outlined support for funding Future Ready Iowa and moving forward other policy proposals aimed at near and long-term economic growth for Iowa including:

- Smart and comprehensive investment in developing and retaining world-class talent and workforce through fully funding the Future Ready Iowa Initiative.
- Support for high-quality K-12 education which prepares graduates with career ready skills or post-secondary education.
- Expansion of resources available to the Workforce Housing Tax Credit and adjustments to its thresholds to acknowledge the different needs of Iowa’s communities.
- Strong fiscal prudence and spending restraint across all levels of government.
- Long-term infrastructure planning, alignment to federal resources, and mindful allocation of resources to fund these critical, capital-intensive projects.
- Predictable and responsive regulatory environment.

“The 2019 legislative session brings great opportunity for Iowa to continue to move its economy forward,” said Molly Grover, 2019 ICA Chair and President & CEO of the Dubuque Area Chamber of Commerce. “This year the Iowa Chamber Alliance has focused on continuing to improve Iowa’s corporate income tax rates and reform the overly complex and burdensome property tax structure. We will strongly advocate for the economic development tools and incentives we utilize to encourage capital investment, create quality jobs and wages, and enhance our quality of life, while making sure Iowa is doing all it can do to equip and expand its workforce.”

## 2019 PRIORITY ISSUES

### Taxes

The 2018 legislative session offers an opportunity for the Iowa legislature to enhance Iowa's tax code in a meaningful way. The Alliance has developed a series of principles to guide them as they review, analyze, and advocate for tax reform. Those principles focus on:

- **Competitive:** Tax reform ought to be geared to make Iowa more competitive: fewer brackets, limited exemptions, effective credits, and lower rates for both personal and corporate income taxes.
- **Invests in Growth:** Programs, credits, and incentives should be focused toward spurring economic growth across diverse industry categories. These incentives have a demonstrated return on investment and need to be encouraged and treated differently than other tax credits.
- **Simple:** Iowa's tax code is unnecessarily complex and any changes must make it simpler. Iowa's tax code must be understandable to taxpayers and attractive to outside investment.
- **Permanent, Predictable, and Certain:** A well-crafted tax policy will have permanence, avoid short-term changes, and ensure the predictability of Iowa's tax landscape so businesses can make long-term investments in Iowa. Any changes ought to require minimal interpretation by the Department of Revenue. Clarity and certainty need to be in the Code.
- **Fair and Responsible:** Tax policy should be equitable and not favor one classification of business over another. Any changes to the tax code should not undermine the fiscal health of the state.
- **Transition Path:** How Iowa transitions from the tax code of today to the tax code of tomorrow is as important as the reform itself.

### Economic Development

Investing in job-creating incentives and programs remains a top Alliance priority. The Chamber Alliance supports tax credits and programs that have a documented return on investment which tend to fall in three categories:

- **Innovation:** Credits like the Research Activities Credits and Angel Investor Tax Credits allow qualified businesses to strategically plan for the long-term investment and innovation and encourage investments in start-up companies, respectively.
- **Job Creation & Workforce:** To help grow and retain Iowa's workforce, programs like the High-Quality Jobs Credits, Workforce Housing Tax Credits, and Iowa Jobs Training Programs are all necessary. The credits and programs will encourage job growth and strengthen local economies.
- **Revitalization:** Community investment is paramount to the retention of businesses. The Historic Preservation Credit and Redevelopment Tax Credit, or Brownfields/Grayfields Tax Credit, allows the improvement of property in communities which can increase general economic health.

Other economic development initiatives supported by the Alliance include an initiative on rural and small economic development to be coupled with existing incentives and programs to further economic development opportunities statewide, and the continued support of tax increment financing (TIF) as an invaluable and integral local economic development tool. The Alliance will vigorously work to ensure TIF's continued strength, flexibility, and availability.

## **Workforce Development & Education**

Iowa now has one of the lowest unemployment rates in the nation, exacerbating already urgent workforce issues. Iowa businesses continue to struggle to find qualified candidates, with the appropriate skills, who are ready to work.

The Alliance highlights three key workforce policy areas to broaden its overall workforce development strategy:

- **Training:** The Alliance will advocate for the full funding of the Future Ready Iowa initiative and continued support of its strategic objective to “build Iowa’s talent pipeline.
- **Schools:** Iowa’s future workforce must be prepared with a quality education that readies high school graduates for either a four-year college education or a vocational training course, without need for academic remediation. Additionally, the Alliance encourages those in education to understand the needs of the employment marketplace to help create a solid talent pipeline.
- **Talent Attraction and Retention:** Iowa leaders must develop strategies to attract and retain talent by making Iowa a desirable place to live. Securing sustained, reliable funding of the Enhance Iowa initiative must be part of this strategy.

## **General Business & Regulations**

The Iowa Chamber Alliance continues to support periodic review and cost-benefit analysis of agency rules and regulations in cooperation with affected businesses and stakeholder organizations. Such reviews help ensure a minimally invasive and efficient regulatory environment. Rules and regulations should be regularly evaluated for necessity, effectiveness, cost-efficiency, enforceability, and financial impact. Regulatory stability and responsiveness must be recognized as critical components of a healthy business climate.

## **Transportation, Infrastructure, & Communications**

High quality and reliable infrastructure is central to economic growth. Roads and bridges, water and sewer, energy and communications infrastructure all require long term, reliable investment – investment that Iowa is lagging in making. Prioritization of infrastructure investment should include water, roads, and broadband infrastructure:

- **Water:** Infrastructure related to water, waste water, and storm water is critical to economic development. The Alliance supports additional funding sources and flexible policies to sufficiently address needed water infrastructure improvements.
- **Roads:** Given the capital-intensive nature of transportation infrastructure, long-term funding and distribution issues remain. The Alliance supports a reexamination of current fund allocations to stay true to the TIME-21 formulas. Additionally, the Alliance remains committed to leveraging federal dollars to invest in passenger rail and other strategic transportation infrastructure.
- **Broadband:** Iowa’s broadband infrastructure must pursue investment just as any other industry. Iowa’s commitment to a positive business climate, appropriate incentives, and competitive taxes will permit Iowa’s broadband infrastructure to be an engine for economic growth in the 21<sup>st</sup> century.

### **About Iowa Chamber Alliance and Members**

The Iowa Chamber Alliance is a non-partisan coalition representing the 16 largest chambers of commerce and economic development organizations throughout Iowa. Its mission is to put forth and enact an agenda to grow the state's economy through support of proactive programs that stimulate economic growth opportunities for the entire state and its residents.

- Ames Chamber of Commerce/Ames Economic Development Commission
- Cedar Rapids Metro Economic Alliance
- Council Bluffs Area Chamber of Commerce
- Dubuque Area Chamber of Commerce
- Greater Burlington Partnership
- Greater Cedar Valley Alliance & Chamber
- Greater Des Moines Partnership
- Greater Fort Dodge Growth Alliance
- Greater Muscatine Chamber of Commerce & Industry
- Iowa City Area Chamber of Commerce
- Marshalltown Area Chamber of Commerce
- Mason City Chamber of Commerce
- North Iowa Corridor Economic Development Corporation
- Quad Cities Chamber of Commerce
- Siouxland Chamber of Commerce

For more information, please visit the [www.iowachamberalliance.com](http://www.iowachamberalliance.com).