



Iowa

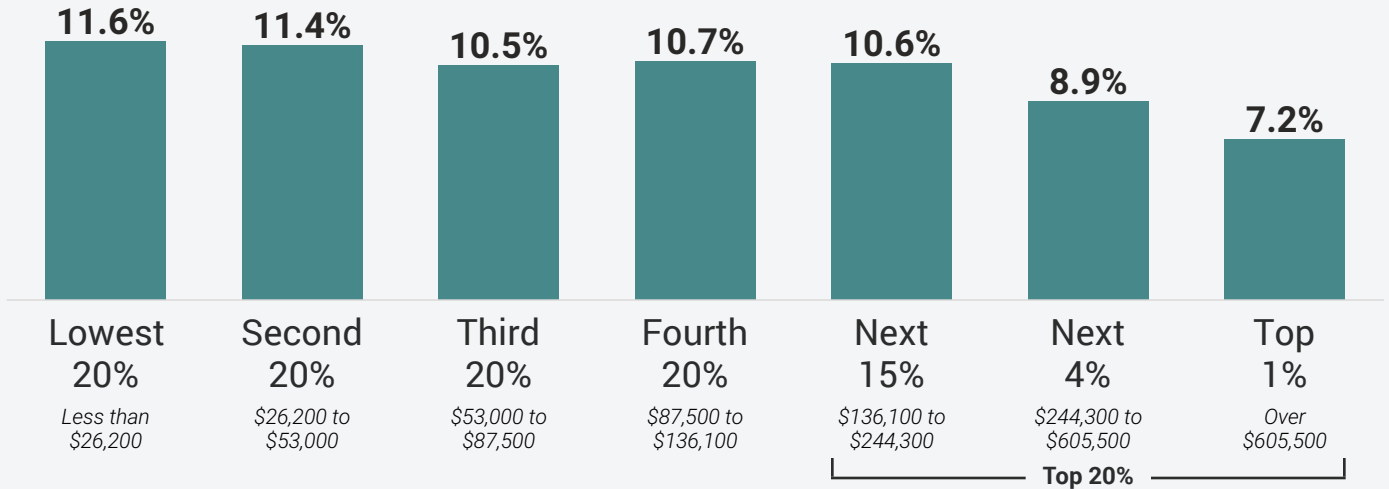
State and local tax shares of family income

Total Taxes

Share of family income

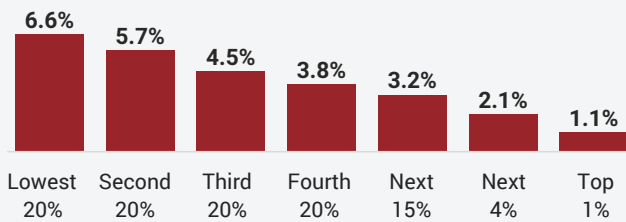


REGRESSIVE



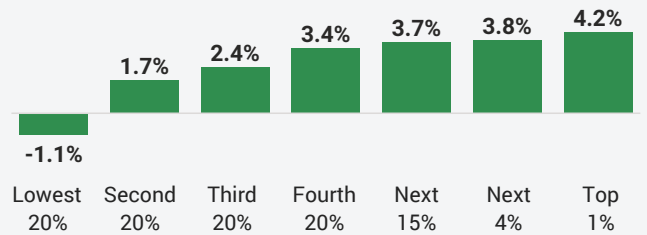
Sales & Excise Taxes

Share of family income



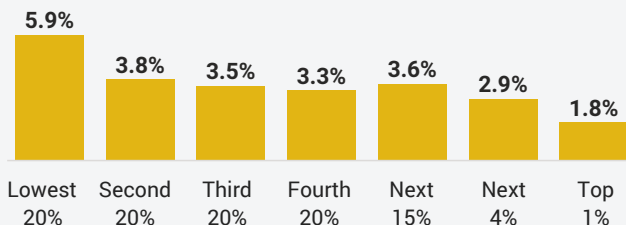
Personal Income Taxes

Share of family income



Property Taxes

Share of family income








Note: All figures and charts show 2024 tax law in Iowa, presented at 2023 income levels. Senior taxpayers are excluded for reasons detailed in the methodology. Our analysis includes nearly all (99.9 percent) state and local tax revenue collected in Iowa. These figures depict Iowa's 2024 graduated personal income tax, with a top rate of 5.7 percent, along with a top corporate income tax rate of 7.1 percent. By 2027, the income tax will reach a flat rate of 3.9 percent and the top corporate rate will be reduced to 5.5 percent. As seen in Appendix E, this will decrease the overall tax rate paid by the top 1 percent of households by 1.3 percentage points and cause the state to move 7 spots in the ITEP Inequality Index rankings, from 23rd to 16th most regressive.

Iowa

State and local tax (cont.)

Individual figures may not sum to totals due to rounding.

Income Group	Top 20%						
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Income Range	Less than \$26,200	\$26,200 to \$53,000	\$53,000 to \$87,500	\$87,500 to \$136,100	\$136,100 to \$244,300	\$244,300 to \$605,500	Over \$605,500
Average Income in Group	\$14,400	\$39,000	\$67,400	\$111,800	\$171,200	\$342,700	\$1,371,000
 Sales & Excise Taxes	6.6%	5.7%	4.5%	3.8%	3.2%	2.1%	1.1%
General Sales—Individuals	2.9%	2.8%	2.2%	1.9%	1.6%	1.0%	0.3%
Other Sales & Excise—Ind.	2.2%	1.5%	1.2%	0.9%	0.6%	0.4%	0.1%
Sales & Excise—Business	1.4%	1.4%	1.2%	1.0%	0.9%	0.7%	0.6%
 Property Taxes	5.9%	3.8%	3.5%	3.3%	3.6%	2.9%	1.8%
Home, Rent, Car—Individuals	5.3%	3.1%	2.8%	2.7%	3.0%	2.1%	0.6%
Other Property Taxes	0.7%	0.7%	0.6%	0.6%	0.6%	0.8%	1.2%
 Income Taxes	-1.1%	1.7%	2.4%	3.5%	3.7%	3.8%	4.2%
Personal Income Taxes	-1.1%	1.7%	2.4%	3.4%	3.7%	3.8%	4.2%
Corporate Income Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
 Other Taxes	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
 TOTAL TAXES	11.6%	11.4%	10.5%	10.7%	10.6%	8.9%	7.2%

ITEP Tax Inequality Index

ITEP's Tax Inequality Index measures the effects of each state's tax system on income inequality. **According to this measure, Iowa has the 23rd most regressive state and local tax system in the country.** Income disparities are larger in Iowa after state and local taxes are collected than before. (See Appendix B for state-by-state rankings and the report methodology for additional detail.)

Tax features driving the data in Iowa

