

Table 13. Estimated Change in Individual Income Tax Liability Phasing in a Flat 3.9% Tax Rate By 2026 and Excluding Retirement Income in 2023

Iowa Taxable Income		Returns	Total Taxable		Total State Income Tax Liability			Change in State Income Tax Liability		
Current Law	Number	Total AGI	Current Law	Income	Current Law	Proposal	Total	Average ^a	Percentage	
Residents Filers	Current Law	Current Law	Current Law	Current Law	Current Law	Proposal	Total	Average ^a	Percentage	
\$10,000 or less	557,923	\$781,490,313	\$781,490,313	-	-\$51,867,554	-\$59,070,703	-\$7,203,149	-\$13	-13.9%	
\$10,001 to 20,000	139,904	2,087,349,891	2,087,349,891	66,009,900	41,051,161	24,958,739	-178	-178	-37.8%	
\$20,001 to 30,000	129,297	3,224,706,226	3,224,706,226	127,982,074	89,758,189	-38,223,885	-296	-296	-29.9%	
\$30,001 to 40,000	117,396	4,096,057,806	4,096,057,806	173,867,169	123,837,978	-50,029,191	-426	-426	-28.8%	
\$40,001 to 50,000	99,962	4,484,177,664	4,484,177,664	198,389,834	139,125,873	-59,263,961	-593	-593	-29.9%	
\$50,001 to 60,000	80,831	4,431,231,168	4,431,231,168	198,769,224	138,958,829	-59,810,395	-740	-740	-30.1%	
\$60,001 to 70,000	66,267	4,296,293,526	4,296,293,526	194,202,829	135,740,062	-58,462,767	-882	-882	-30.5%	
\$70,001 to 80,000	54,524	4,081,355,736	4,081,355,736	186,583,553	129,684,032	-56,899,521	-1,044	-1,044	-31.0%	
\$80,001 to 90,000	45,751	3,882,370,682	3,882,370,682	180,162,890	124,375,141	-55,787,749	-1,219	-1,219	-31.0%	
\$90,001 to 100,000	39,307	3,728,505,670	3,728,505,670	176,123,919	120,891,656	-55,232,263	-1,405	-1,405	-31.4%	
\$100,001 to 125,000	71,518	7,975,357,584	7,975,357,584	383,840,166	262,151,051	-121,689,115	-1,702	-1,702	-31.7%	
\$125,001 to 150,000	44,170	6,029,543,740	6,029,543,740	295,700,353	199,173,627	-96,526,726	-2,185	-2,185	-32.6%	
\$150,001 to 175,000	26,657	4,305,748,951	4,305,748,951	214,822,400	142,303,507	-72,518,893	-2,720	-2,720	-33.8%	
\$175,001 to 200,000	16,812	3,135,749,361	3,135,749,361	159,932,890	103,623,196	-56,309,694	-3,349	-3,349	-35.2%	
\$200,001 to 250,000	18,865	4,183,854,588	4,183,854,588	218,885,542	137,974,510	-80,911,032	-4,289	-4,289	-37.0%	
\$250,001 to 500,000	23,765	7,959,332,477	7,959,332,477	430,934,116	258,697,552	-172,236,564	-7,247	-7,247	-40.0%	
\$500,001 to 1,000,000	6,971	4,677,534,214	4,677,534,214	256,484,773	148,895,884	-107,588,889	-15,434	-15,434	-41.9%	
\$1,000,001 or more	3,210	9,616,651,556	9,616,651,556	464,250,801	249,568,534	-214,682,267	-66,879	-66,879	-46.2%	
Resident Filers Total	1,543,129	\$82,977,311,152	\$82,977,311,152	\$3,875,074,879	\$2,486,740,079	-\$1,388,334,800	-\$900	-\$900	-35.8%	
Nonresident Filers	Current Law	Current Law	Current Law	Current Law	Current Law	Proposal	Total	Average ^a	Percentage	
\$50,000 or less	94,276	\$1,462,501,409	\$1,462,501,409	\$19,224,745	\$13,514,006	-\$5,710,739	-\$61	-\$61	-29.7%	
\$50,001 to 100,000	34,847	2,517,630,912	2,517,630,912	34,644,126	24,180,567	-10,463,559	-300	-300	-30.2%	
\$100,001 to 500,000	42,592	8,566,824,125	8,566,824,125	79,963,338	50,211,977	-29,751,361	-699	-699	-37.2%	
\$500,001 or more	14,321	81,569,874,240	81,569,874,240	132,052,652	76,162,084	-55,890,568	-3,903	-3,903	-42.3%	
Composite Filers	3,350	1,628,845,738	1,628,845,738	99,766,408	60,445,171	-39,321,237	-11,738	-11,738	-39.4%	
Nonresident Filers Total	189,386	\$95,745,676,424	\$95,699,678,276	\$365,651,269	\$224,513,805	-\$141,137,464	-\$745	-\$745	-38.6%	
All Tax Filers Total	1,732,515	\$178,722,987,576	\$178,676,989,428	\$4,240,726,148	\$2,711,253,884	-\$1,529,472,264	-\$883	-\$883	-36.1%	

Analysis Using Individual Return Data from Tax Year 2020
 Tax Research Bureau, Iowa Department of Revenue
 a. The average change in tax liability is computed over all households, not just those experiencing a change under this proposal.
 Under Iowa current law, the contingent system specified in SF 2417 will be effective in 2023 and after.

Includes
Refers

Median Household Income = \$68,000
-\$20,000 (Standard Deviation)
\$48,000 Taxable Income

112:1

\$11,401/week
\$12,861/week