

SILOS and Skiing, Taxes and Teaching

I was caught a bit off guard during one of my recent legislative coffees. For those of you who don't know, local chambers of commerce sponsor monthly gatherings where we legislators report on current issues from the state capitol in Des Moines and hear from our constituents. I was accused of being "negative" and not the "breath of fresh air" one constituent thought I was. Later that day, during some cross country skiing, I settled into a pattern – right, left, right left, pull and glide, pull and glide – two beats constantly repeated. I found myself thinking about the constructive criticism from earlier in the day.

I was speaking about the School Infrastructure Local Option tax (SILO). It is generally known that our rural schools have declining enrollment, building maintenance needs and revenue challenges. The SILO tax is a voter approved 1 percent sales tax which is used for building maintenance (infrastructure) and property tax relief. The SILO expires every 10 years when it must be re-approved by the voters. Three years ago I was one of the co-sponsors of a bill which would change this local tax to a statewide tax. The idea behind that bill was to produce a more equitable distribution of sales tax which rural Iowans pay when they go shopping in Council Bluffs, Des Moines and other Iowa urban areas. The result of that bill was to increase revenue coming to rural schools. At that time only 97 of the 99 counties in Iowa had passed the SILO tax. The bill did not move forward.

Now, all 99 counties have passed the SILO and a new version of the bill is making its way through the legislative process. It promises the same sort of re-distribution of sale tax and more money to rural schools. But... it has an additional tax increase, the so-called "use" tax which we pay on motor vehicle purchases. This tax increase would add a 1 percent tax to your next car purchase when you register it at the county treasurer. This means you would pay an additional \$200 on a \$20,000 car. The problem is this new tax does not go to education. It goes to the state for other spending. This is a little reported aspect of this bill.

Another concern with the bill is the eventual erosion of the funds which are supposed to be used for school infrastructure. Over time the Iowa governor and legislature have eroded tobacco education money, senior citizen assistance money, and other infrastructure funds. Some have pointed out that the school infrastructure money is already under attack by a recent proposal to use the money for teacher salaries. The Education committee chair has stated this idea may kill the entire bill.

Back to my legislative coffee - I was trying to explain all of this and apparently did not do a very good job. If it is negative to honestly point out the costs or tax increases in pending legislation, I confess I was negative. Unfortunately that is part of my job, as I see it. To tell my constituents both sides (or all sides) of pending legislation – the good and the bad.

As this bill SILO proposal gets more publicity, I find myself being contacted by several constituents. Some support the increased funding for schools. Some oppose the new unrelated tax increase. Some express concerns for the proposed use of the money.

Spending, taxing. Infrastructure, salaries. I remembered my cross country skiing - right, left, pull, glide. It takes both in balance to ski. So it is with legislation. It takes both, spending and taxing, buildings and salaries to educate our children. The challenge is finding the balance. Apparently I still have much to learn on how to report all of this in a positive way. I shall continue trying. I remain willing to learn and serve you all to the best of my ability.

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