

PUBLIC INTEREST INSTITUTE

FACT SHEET

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Freezing the Rollback = Raising Taxes!

Property tax reform proposals include freezing the rollback for residential property at the current (2006) level. This act would be a tax increase on residential property owners. Table 1. below shows the projected increase in taxes that will be paid by residential property owners if the residential rollback is frozen.

Over the next four years (2007-2010), Iowa residential property owners will pay nearly \$138 million in additional property taxes if the rollback rate is frozen. If the rollback freeze continues for the following four years (2011 - 2014), Iowa residential property owners will be paying an additional \$460 million in property taxes.

Over eight years, Iowa taxpayers will pay nearly **\$600 million** in additional property taxes if the residential rollback is frozen at the 2006 level.

Table 1. Increase in Residential Property Taxes with Rollback Freeze

	Taxable Residential Property without rollback freeze	Taxable Residential Property with freeze in rollback (at 2006 level)	Increase in taxable property with the rollback freeze	Increase in tax (at \$8.10 per \$1,000)
2007	\$53,869,788,338.42	\$55,354,008,046.89	\$1,484,219,708.47	\$12,022,179.64
2008	\$56,052,558,434.05	\$59,228,788,610.18	\$3,176,230,176.13	\$25,727,464.43
2009	\$58,276,954,380.20	\$63,374,803,812.89	\$5,097,849,432.69	\$41,292,580.40
2010	\$60,538,108,222.49	\$67,811,040,079.79	\$7,272,931,857.30	\$58,910,748.04
Total (2007-2010)			\$17,031,231,174.59	\$137,952,972.51
2011	\$62,832,814,671.97	\$72,557,812,885.37	\$9,724,998,213.40	\$78,772,485.53
2012	\$65,149,416,778.16	\$77,636,859,787.35	\$12,487,443,009.19	\$101,148,288.37
2013	\$67,482,462,387.31	\$83,071,439,972.47	\$15,588,977,585.15	\$126,270,718.44
2014	\$69,822,902,239.54	\$88,886,440,770.54	\$19,063,538,531.00	\$154,414,662.10
Total (2011-2014)			\$56,864,957,338.75	\$460,606,154.44
Total (2007-2014)			\$73,896,188,513.34	\$598,559,126.96

Source: Residential valuations from the Iowa Department of Revenue, Property Tax Division. Calculations by Public Interest Institute staff.

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