

PUBLIC INTEREST INSTITUTE

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After the Income Tax Cut: Non-farm employees in Iowa

In 1997 the Iowa Legislature adopted a 10% cut in the state's personal income tax rates, bringing the top income tax rate down to 8.98%, and reducing all other tax rates by 10% as well. This income tax cut took effect in 1998.

This year, the 10th anniversary of the tax cut, Public Interest Institute has examined the results of the tax cut.

- Looking at total nonfarm employees in Iowa, the number of nonfarm employees in each of the ten years after the tax cut is higher than the number of nonfarm employees in Iowa in each of the ten years prior to the tax cut.

Total Nonfarm Employees in Iowa (not seasonally adjusted)

Year	# of employees	Year	# of employees
1988	1,156,200	1998	1,442,700
1989	1,200,100	1999	1,468,600
1990	1,226,300	2000	1,478,400
1991	1,238,100	2001	1,465,600
1992	1,252,500	2002	1,447,300
1993	1,278,500	2003	1,440,400
1994	1,319,900	2004	1,457,300
1995	1,358,000	2005	1,480,500
1996	1,383,400	2006	1,503,000
1997	1,407,000	2007 ^a	1,512,800

^a2007 # of employees is average of January through July

Source: US Department of Labor, Bureau of Labor Statistics

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