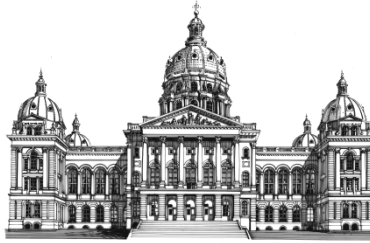


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## COMMITTEES

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Ways and Means

*Transportation and Infrastructure  
Subcommittee*

For Immediate Release  
Wednesday, January 28, 2015

## Senators Anderson, Chapman focus on spending limitations

DES MOINES – Today is Transportation Day at the Capitol and conversations concerning maintaining Iowa’s roads and bridges are on the rise. Senator Bill Anderson, R-Pierson, and Senator Jake Chapman, R-Adel, have introduced legislation (Senate File 95) addressing the need for additional infrastructure funding. “The Iowa Trust Act will address the request for additional road construction dollars without raising taxes,” said Anderson.

The Iowa Trust Act also provides another option in how the State sets its spending limit. By law, the State of Iowa’s current spending limitation is 99 percent of both revenue and savings. The Iowa Trust Act creates a new option that would focus on the wage and salary growth factor of Iowans. Historically, that line item is a 3.8 percent increase annually. Senators Anderson and Chapman are proposing the State uses whichever is less: the spending limitation of half (1.9%) of the wage and salary growth factor increase or using the current 99 percent spending limitation.

“It is reasonable for Iowans to expect that our Government restrains its spending to a rate slower than that of household incomes,” said Senator Chapman. “Projections indicate that within the next five years, after enactment, the savings will generate nearly \$350 million to be returned annually to Iowans through income tax reductions. Additionally, with the new spending limitation in place we can maintain our secondary roads without raising taxes.”

The Senators’ plan includes allocating the remaining balance of the money from the spending limitation savings to:

- Cash Reserves.
- Creating a 2 percent safety net fund.
- Shifting 1 percent of the remaining balance to go toward the secondary roads fund.
- \$60 million to the Taxpayer Trust Fund.
- Establishing a Personal Income Tax Reduction Fund (**All remaining cash balances will be applied to this fund and will reduce all tax rates equally**).

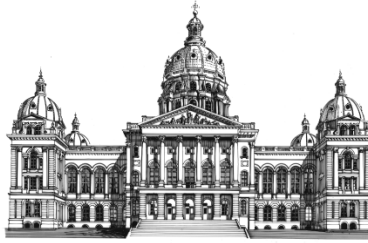
“Our constituents trust us, the representatives they elected, to be responsible with their tax dollars,” said Senator Anderson. “The Iowa Trust Act is a comprehensive approach to ensure common sense budgeting. It focuses on easing the burden on the taxpayers, while providing additional funding to meet Iowa’s growing infrastructure needs.”

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Appropriations, Ranking Member  
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