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Des Moines, Iowa 50319

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Iowans Pay More Than \$ 10.9 Billion in Taxes

Earlier this year, the Iowa Department of Revenue (IDR) released its 2009 Annual Report. IDR's report is available to the public via this website:

<http://www.iowa.gov/tax/educate/statreports.html#AnnRep>. In 2009, IDR processed more than 1.5 million individual income tax returns. Of those returns, 74% were filed electronically.

Iowans pay a significant amount of taxes. According to the report, IDR collected a net total of \$6.87 billion from taxpayers in 2009. This statistic is calculated after refunds were issued. Furthermore, a variety of local taxing authorities collected over \$4 billion in property taxes. That means Iowans paid more than \$10.9 billion in taxes.

Here is the breakdown of the \$3.1 billion collected from income taxes:

- Individual Income Tax: \$2.82 billion
- Corporation Income Tax: \$ 253 million
- Franchise Tax: \$28 million

In addition, Iowa taxpayers paid more than \$2.88 billion in sales, use and motor vehicle taxes in 2009, the breakdown includes:

- Sales Tax: \$2.29 billion
- Use Tax: \$355 million
- Motor Vehicle Use Tax (registration fees): \$239 million

A number of other taxes are levied to fund government activities. They include:

- Consumption Tax (motor vehicle fuel tax, cigarette tax and tobacco tax): \$678 million
- Inheritance Tax: \$73.6 million
- Miscellaneous Tax (environmental protection charge, motor vehicle use, 25% EPC deposit, real estate transfer tax, hazardous materials permit fees, insurance premium tax, motor vehicle title surcharge): \$126 million.

In 2009, Iowa property owners paid more than \$4 billion in property taxes to various local taxing authorities. The following taxing authorities and the total amount of taxes are:

- K-12 Schools: \$1.68 billion
- Counties: \$874 million
- Cities: \$1.2 billion

- Merged Area Schools: \$86 million
- Hospitals: \$80 million
- Assessors: \$46 million
- Townships: \$23.9 million
- Ag Extension: \$15.4 million
- Miscellaneous: \$15 million

With this huge amount of revenue, we should be able to make due without trying to raise more taxes to pay for government.

Legislature Looks to Fix Underage Dancing Loophole

A controversial District Court case that found the owner of a strip club not guilty for letting a minor dance nude in his establishment is receiving increased attention (including Bill O'Reilly) due to the Court of Appeals decision to not overturn the case.

The issue originates from a strip club in Hamburg owned by Clarence Judy, who in 2007 admitted a group of recent high school graduates into the establishment. All but one in the group were at least 18. The underage female's ID was not checked as she entered the establishment. After some time, she was pulled up on stage by performers, where she twice danced completely nude. She testified that she felt she was expressing herself through her dancing. She was provided two beers by other performers.

Chapter 728.5 of the Iowa Code pertains to public indecent exposure in certain establishments. Under this law, the State is required to prove that Judy was the owner of the establishment, that he permitted or allowed a minor to perform a live act, the act performed was intended to arouse or satisfy the sexual desires or appeal to the prurient interests of patrons, and finally that the place of business was not a theater or similar establishment primarily devoted to the arts or theatrical performances and that the act was not part of such a performance.

If the State is able to prove all of the above elements, Judy would be guilty of an aggravated misdemeanor. That charge carries with it the potential of two years in prison and a fine of up to \$6,250.

The court found that Judy owned the strip club, Shotgun Geniez, and allowed the 17-year old in without checking an ID, making Judy responsible for her performance.

The court also found that the act, including the underage female, was intended to arouse or satisfy the sexual desires of the patrons. However, because Mr. Judy advertises and operates the strip club as "The Hamburg Theater of Performing Arts," and displays and sells artwork at the location and on a website, the court was not convinced that the place was a strip club.

The acquittal decision for Mr. Judy brought to light a State law loophole that seems to allow underage nude dancing because the court ruled Judy's establishment was not subject to the Code related to indecent exposure since it operates in a limited capacity as a theater.

The loophole should be closed by adding language to the theater exemption in Chapter 728.5 to not apply where a minor is involved.

Bills are filed to do that and amendments are being drafted if the bills fail to move forward, but the bottom line is this needs to be fixed this year. The majority party needs to put this issue on their agenda.

Upcoming legislative forums with Senator Randy Feenstra and Rep. Dwayne Alons:

Saturday, March 13, Rock Valley Pizza Ranch, 12:00 noon