



Capitol Comments

Newsletter from your
Iowa State Representative
Richard Anderson

State Capitol
April 2, 2009

California Here I Come....

Some of you may remember that popular scene from the television show “I Love Lucy” which captures Lucy, Ricky, Fred and Ethel driving across the country from NY to the Golden state and singing the famous Al Jolson song “California Here I Come!”

In the early 1980s I followed Lucy’s lead and moved my family to California where my second daughter was born. In her birth announcement we included a cute stick figure drawing by her 3 year old sister depicting our family on the beach with the new baby proclaiming “California here I come!” As of late, I have felt like I was back in Californy.

California CARB Counting

We all know the value of CARB counting so we look good strutting down the beach. Look out for the California CARB (California Air Resources Board) which recently released its recommended low-carbon fuel standards to address green house gases and global warming. These low-carbon standards could have enormous negative consequences to Iowa’s recently struggling bio-fuels industry. Iowa ethanol releases more carbon into the atmosphere per unit of energy as compared to straight gasoline, hydrogen cell fuel and electricity. This makes Iowa’s renewable fuel – ethanol a less favored fuel source in carbon sensitive regions.

California represents about 12% of the U.S. motor-fuel market. Other states making up 30% of the national population have joined California in seeking to impose more restrictive air quality regulations. Even here, in the Iowa House Environmental Protection committee, we voted on a bill which would authorize the Iowa Environmental Protection Commission to adopt these California auto emissions standards applicable to model year 2011 motor vehicles. If the California CARB standards move across this nation it would have a catastrophic impact on our renewable bio-fuels industry.

“Gubernator” and “The Big Lug” Bonding Plans

You may have heard of California’s now infamous budget problems with huge deficits and state debt which the “Terminator”/“Gubernator” Arnold Schwarzenegger struggles to control. Our own Iowa Governor (nicknamed by his wife “the Big Lug”) Culver has proposed a \$750 million bonding plan. Bonding is how government borrows money. This proposal would double Iowa’s primary indebtedness and would require interest payments over 20 years with over \$ 500 million of interest. Iowa is looking like California with its rapidly expanding state debt in a time of economic downturn. This is the equivalent of losing your job, pulling out the credit card and making your kids pay your credit card bill. Some of the projects submitted to the Governor’s Office to be included in the state bonding proposal are:

- The Tower of Invincibility: A grand tower of at least 10 stories built in the center of Vedic City, (Iowa’s newest city founded in 2001 by the followers of the Maharishi located outside of Fairfield) which will allow grand vistas of the city in all directions.
- Bronze Sculptures: Two full-size bronze sculptures of “Shucking Corn” to create an entrance identity for the community of DeWitt.
- Golf course practice green relocation, golf cart bridge replacements, and path extensions
- Football coach office addition at Loras College, a private college in Dubuque (House Speaker Pat Murphy’s college alma mater).

A Tax on a Tax - Federal Deductibility

“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness...” so begins Charles Dickens’ novel A Tale of Two Cities. So, perhaps, began one of the most dramatic moments of my five sessions up here. Tuesday evening the House hosted a public hearing on the issue of you being able to deduct the amount of your federal tax on your Iowa income tax return, thus typically reducing your Iowa income tax. Because of your current ability to deduct your federal tax, you do not have to pay a tax on a tax.

During the hearing, Iowa tax payers began to express their frustration with tax increases in a time of widespread layoffs and with the inequities in the proposal. The bill would increase taxes on some Iowans to pay for a tax cut for other Iowans, but not in an equitable manner. For

example, roughly one third of those Iowa households with income in excess of \$250,000 per year would see a tax reduction and 27% of those making less than \$50,000 would see a tax increase. As the frustration turned even more vocal, Speaker of the House Pat Murphy ordered the Iowa tax payers to leave the House Chamber under escort by the Highway Patrol. It wasn't California, but it seemed wild and crazy.

You may recall Thomas Jefferson's comment that "a little rebellion now and then is a good thing" for America. I certainly support citizens' rights to express their opinions and to do so vocally, but we do have rules of decorum in the House chamber. Those rules were violated after repeated warnings. Had I been in the chair's seat, after the first outburst, I would have asked the vocal ring leaders to be escorted out. I think that would have stopped the escalation and allowed the others to remain in the chamber to hear the comments of the citizens who were speaking formally in the hearing.

This was my first experience with a large number of friendly people turning angry in response to government action. It reminded me a bit of the Dickens tale. It also reminded me of the wisdom of our nation's forefathers who wisely turned away from direct democracy and created our system of representative democracy where issues are filtered through restrained, civil, elected representatives. Well that's enough for this trip to California; I'm heading back to the Midwest.