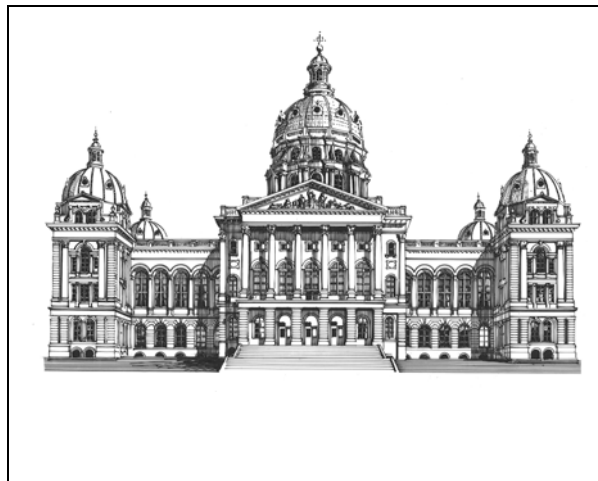


**Iowa House of Representatives  
State Representative Cecil Dolecheck  
Dolecheck's Details**

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**For the week of February 1st-February 5th,  
2010**



**Government Reorganization Bill**

Senate File 2088(SF2088) is the State Government Reorganization bill. The Governor assumes a savings to state Government of \$341 million from reorganization but does not specifically delineate what appropriations will be reduced due to the savings. The Republicans in the house have offered 14 ideas that could save taxpayers \$290 million in General Fund dollars.

I have been working this past week on two specific issues included in the reorganization bill that do not save taxpayer dollars and are not in the best interest of Iowans. The first issue is the inclusion of the closure of the Mental Health Institute(MHI) at Clarinda. This move will result in increased costs to Iowans and counties in Southwest Iowa, and will be devastating to my district in terms of employment. If it does not make sense economically, why is it even being considered? The second issue is the transfer of Empowerment from the Department of Management to the Department of Education. There is no reason for this move other than a power grab by the Department of Education. I feel strongly about empowerment and its community effort to meet the needs of our 0-5 age children. The Department of Education has not and will not make this a high priority as they have already demonstrated in the way they controlled the funding stream for our 4 year old preschool program.

**A Public Hearing on the Government Reorganization Bill will be held Monday February 8<sup>th</sup> at 10am in the Supreme Court Chamber (room 103). If you are able, please come to support the Clarinda MHI and Empowerment.**

**Eliminating Federal Deductibility**

To kick off the 2010 legislative session, House Democrats sent a message to Iowa taxpayers: the effort to eliminate your ability to deduct your federal taxes paid from your state income tax liability is on the table. In other words, a massive income tax increase is looming.

On January 27, 2010, the House Ways and Means Committee met for the first time of the 2010 legislative session. The meeting was short and to the point. Several bills were assigned to subcommittee, including House File 807 the highly controversial bill to eliminate federal deductibility, and then the meeting adjourned.

As you know, federal deductibility gives taxpayers the ability to fully deduct 100% of all federal tax payments on their state income tax returns. This is extremely important for low and middle class income earners. For many of them, this is the only and largest deduction available to them.

For example, low and middle income taxpayers who do not own a home or have children cannot utilize income tax deductions and credits available to others; such as mortgage interest, property taxes and child and dependent care tax credits.

Moreover, it is an issue of fairness. It is not fair to taxpayers to be required to pay state taxes on income never realized. Eliminating federal deductibility is a tax on a tax plain and simple.

If enacted, House File 807 will create winners and losers in every tax bracket. Taxes will increase for some taxpayers regardless of how much they make. The cumulative tax increase on Iowa taxpayers over the next five years under the plan is over \$400 million.

It is no surprise that Iowans are outraged over the proposal. Last year, hundreds of concerned citizens filled the House chamber to convey their displeasure with the tax increase. In addition, the National Taxpayers Union released a poll on January 12, 2010 that states 77% of Iowans support keeping federal deductibility and believes it is in their best financial interest.

House Republicans will standby Iowa taxpayers and continue to fight against this fundamentally flawed proposal that seeks to increase taxes on hardworking Iowa families. While it is never wise to allow the government to increase the amount of hard earned dollars it withholds from individuals, it is especially destructive to do so during tough economic times. Iowans know better than government on how to spend and invest their money and House Republicans are committed to allowing them to do so.

### **Regents Propose 6 Percent Tuition Increase**

This week the Iowa Board of Regents is set to raise tuition for next school year by six percent. This amounts to a \$346 tuition increase for every in-state undergraduate student. In-state students will pay \$5,782 at the University of Iowa and \$5,756 at Iowa State and the University of Northern Iowa.

Out-of-state undergraduates will see an increase of \$1,268 (6%) per student at the University of Iowa, \$692 (4.1 %) per student at Iowa State University and \$422 (3 %) at the University of Northern Iowa.

The Regents acknowledge that the Higher Education Price Index will only increase 2.7 percent but claim that the \$162 million in reduction in state aid this year justifies the six percent increase.

These tuition increases will net the Regents \$33.6 million in new revenue next year.

Student fees are another matter. At the University of Iowa student fees will jump from \$219 from \$1,042 to \$1,289 in order to fund the new Campus Recreation and Wellness Center. Student fees at the other two universities will remain stable with Iowa State student fees at \$894 and fees at the University of Northern Iowa at \$906.

What do you think? Email me your thoughts. My e-mail address is : [cecil.dolecheck@legis.state.ia.us](mailto:cecil.dolecheck@legis.state.ia.us)

House Visitors include : Robert Shafer from Shafer Insurance Agency of Mount Ayr, Jenny Ernst with Taylor County Empowerment and Jody Downing with Union County Empowerment.

Information about my legislative forum schedule, past newsletters and biography can be found at [www.iowahouserepublicans.com/members/cecil-dolecheck](http://www.iowahouserepublicans.com/members/cecil-dolecheck)

The number for the House switchboard is (515) 281-3221, Seat 65