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House Republicans Announce G.R.O.W. Plan

(DES MOINES)—Today, freshman members of the House Republican caucus rolled out the party's plan to put Iowan's back to work and improve the state's economy. The G.R.O.W. (generating recovery and opportunity for working Iowans) plan uses a variety of methods such as tax credits, tax deductions and constitutional protections to lift Iowa's slumping economy.

“Over the past few weeks, we've seen what ideas the Democrat-controlled Legislature has for the economy—big labor paybacks that only serve ten percent of Iowans, increase taxes and do nothing to put Iowans back to work,” said Rep. Renee Schulte (R-Cedar Rapids). “Republicans are not just the party of opposition, we're the party of ideas. This plan represents eight concepts we think would breath life into our stale economy.”

Below is the list of proposals that will be placed in the Republican bill which is currently being drafted.

- Constitutionally protect Iowa's Right-to-Work law
Since the election of Tom Vilsack as Governor of Iowa, the state's Right to Work law has been under attack by Democrats and their allies in the labor unions. Putting it in the Constitution will prevent any attempt to gut the intent of the law.

Six other states have constitutionally protected Right-to-Work (Arizona, Arkansas, Florida, Mississippi, Oklahoma, and South Dakota).

This piece will strengthen the economy because it will remove the threat that prevents businesses from considering Iowa.

- Student loan interest deduction expansion
Students in Iowa graduate with the highest debt levels (\$26,208). This piece will raise the threshold from \$2,500 to \$5,000 in student loan interest that can be deducted state income taxes. It also allows \$2,500 of principle to be deducted.

This will improve the economy as it will provide incentives to young Iowans to stay in the state, strengthening the quality of the workforce available to Iowa employers. It will also lessen the heavy burdens put on our young people.

- Shovel-ready permits
This piece of legislation gives targeted economic areas priority. This will encourage faster growth and inject activity into the construction industry.
- Telecommuting tax credit
This bill will create a pilot program to provide employers with a tax credit of up to \$10,000 to cover start-up costs associated with creating a teleworker program.

It will also allow additional credits of as much as \$600 per new teleworker, after the program is established. Workers must telecommute 20% of their work days per year.

This measure will stimulate the economy as it helps employ Iowans in small communities where large companies are not likely to locate. Currently, Georgia is the only state to have this program on the books and they have found that worker productivity has increased as well retention and job satisfaction.

- Social Security tax deduction
This proposal will create a new Individual Income tax deduction for the taxpayer share of the Social Security tax. For tax year 2009, the Social Security tax is 6.2% of an employee's gross compensation up to a limit of \$106,800 of compensation (resulting in a maximum tax of \$6,621.60).

This will stimulate Iowa's economy by putting more money back into Iowans' pockets.

- Small business internship grant expansion
This proposal will broaden the industries and sectors who are eligible to receive the current internship grant. It will also increase the amount of students eligible to participate in the program.

Encouraging students to get real world experience, establish roots in our communities and be an asset to Iowa businesses are all beneficial to our economy.

- Increase research activities credit (RAC)
Currently, the credit is 6.5% of qualified research expenditures. This credit is allowed for the portion of a company's research expenditures that can be apportioned and is refundable. In the governor's budget proposal, \$13 million is cut from the program. The Republican program will not only restore those numbers, it will allow businesses to expand the credit.

Recently the Legislature received testimony from representatives from the Iowa Biotechnology Association, Monsanto, Pioneer, Cellular Engineering Technologies and Kemin Industries on the current economic climate and the future of biotechnology in Iowa. A common theme from those who presented was clear: if the legislature is going to change RAC in any way, increase the program; do not cut it.

- Property tax freeze
This proposal will place a prohibition on increasing property taxes by tying assessment limitations of residential, agricultural, commercial property together and apply the lowest percentage increase to industrial property.

This will allow homeowners and businesses to build in some certainty and puts more money back in the pockets of homeowners and small businesses.