

GLOBE GAZETTE

CAPITOL NOTEBOOK: Reynolds earns top mark for fiscal responsibility in conservative group's report

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DES MOINES — Gov. Kim Reynolds received the highest grade for fiscal responsibility among the nation's governors in a report issued by the conservative Cato Institute.

The biennial report grades governors on their fiscal policies from a limited government perspective, and awards higher grades to governors whose states have cut taxes and spending, according to the Cato Institute.

Reynolds was one of five governors — all Republicans — to receive an A grade from the report, and she had the highest score, just ahead of New Hampshire's Chris Sununu, Nebraska's Pete Ricketts, Idaho's Brad Little and Arizona's Doug Ducey.

“Reynolds says that her politics are based on the ideas of limited government, personal responsibility and individual initiative,” the report says. “As governor, she has translated those beliefs into lean budgeting and major tax reforms, earning her the highest score on this report.”

The report noted the tax cut legislation passed by Iowa lawmakers and signed into law by Reynolds in 2018, 2020 and 2022, the final of which will phase state income taxes down to a flat rate of 3.9 percent by 2026. At that point, the cuts will reduce Iowans' income taxes — and thus also reduce state revenue — by nearly \$2 billion annually.

The Cato Institute also reports that state spending under Reynolds, who became governor in 2017, has grown at an average rate of just 2.3%.

“Iowa prides itself on stewarding taxpayer dollars with care and an eye toward growth,” Reynolds said in a news release from the governor's office. “That means exercising restraint in our spending and taking every opportunity to return tax dollars to the hardworking Iowans who generated them in the first place. This is their money — not the government's — and they have a right to expect their own representatives to act like it. I'm grateful to the Cato Institute for recognizing that Iowa does so.”

Reynolds plans to join the Cato Institute for a virtual seminar to discuss her fiscal policies and tax cuts, her office said.