



THE INDEPENDENT DAILY NEWSPAPER FOR THE UNIVERSITY OF IOWA COMMUNITY SINCE 1868

The Daily Iowan

NEWSPAPER • ONLINE • TELEVISION

WEDNESDAY, MAY 11, 2011 |

HOME

METRO

SPORTS

OPINIONS

ARTS/MP3s

PHOTO

VIDEO

 Search

Should state legislators cut commercial property taxes by 40 percent?

BY **DI EDITORIAL STAFF** | MAY 11, 2011 7:20 AM

SHARE/EMAIL THIS ARTICLE

YES

It seems hypocritical, right? Gov. Terry "our-bottom-line-is-more-important-than-our-children wow-what-a-catchy-nickname" Branstad is putting together a bill that has been proven to hurt governmental budgets throughout history.

Well, it could also be interpreted as the primary reason, the driving force, the culmination of all these controversial cuts. He ran on a platform that promised a more attractive business climate, and, in this case, at least, he is following through with his word.

The bill would prevent an estimated \$1.3 billion increase in property taxes by offering a 40 percent cut in commercial property taxes. Residential taxes would be unaffected.

Like the electoral body that elected him, Branstad believes Reaganomics is the solution to any monetary issue.

I know what you're thinking (perhaps more eloquently worded): "Is he really going to cite the 'success' of Reaganomics in defense of corporate tax cuts?"

Yeah, I am, actually. According to a study by William Niskanen and Stephen Moore of the Cato Institute, the economy under Reagan was superior to those under the next three presidents "in virtually every measurable category." Real economic growth was higher, real median and family income grew more rapidly in the 1980s than the '90s. Also, interest rates, inflation, and unemployment all decreased faster under Reagan than any president immediately preceding or succeeding him. Under Reagan, top corporate tax rates were cut by 12 percent.

Then again, Bill Clinton raised taxes and sat comfortably in his office during the economic boom of the '90s as the unemployment rate [decreased](#) in each of his eight years.

Given all this conflicting data, we are forced to rely on conventional wisdom in order to give the "all things equal" conclusion to this tax cut debate.

More capital gives businesses more incentive to expand and create jobs. Cutting into their profits provides more incentive for them not to expand and create jobs.

And as for the budget? This will probably offset some of room created by Branstad's previous spending cuts — but hey, he's doing exactly what he said he was going to do.

— *Chris Steinke*

NO

You'd think with the salary and pension Gov. Terry Branstad collects, he could afford a calculator. Branstad is now trying to give even more tax cuts to businesses, which means that other areas of Iowa's budget will be forced to take a hit.

Any math that gives business owners money at the expense of Iowan families doesn't add up to me. Not only will the tax cuts be harmful, they are unnecessary. Iowa is already a great environment for starting a business. According to Forbes magazine, Des Moines is the No. 1 place in the country for business and careers, and it is in the top 10 in the same magazine's ranking of the best places to start a small business. Six other Iowa metropolitan areas were in the top 20 of the ranking. MarketWatch ranks Des Moines as the No. 1 location for small businesses.

Do you support Gov. Terry Branstad's proposed cuts to commercial property taxes?

 Yes

 No

[View Results](#) [Share This](#)
Polldaddy.com

[Privacy Policy \(8/15/07\)](#) | [Terms of Use \(4/28/08\)](#) | [Content Submission Agreement \(8/23/07\)](#) | [Copyright Compliance Policy \(8/25/07\)](#) | [RSS Terms of Use](#)

Copyright © 2011 The Daily Iowan, All Rights Reserved.