

## EANGI & INGOA FACTS:

Our associations represent 9,400  
Iowa Guardsmen  
(7,400 Army and 2,000 Air)

We advocate on behalf of current  
and retired Soldiers and Airmen



We provide professional  
development to our members in  
both their civilian and military  
careers

We ensure the safety and well-being  
through foundations by providing  
emergency relief, grants,  
scholarships, and life insurance



<http://www.iowaofficers.org>



<http://eangi.org>

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The Enlisted Association  
of the National Guard of  
Iowa

&

The Iowa National Guard  
Officers Association

TAX INEQUITY  
INFORMATION



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## ISSUE

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## WHY IS IT AN INEQUITY?

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## A FAIR AND EQUITABLE SOLUTION

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Title 10, chapter 422.7, subsection 42A states: Subtract, to the extent included, all pay received by the taxpayer from the federal government for military service performed while on active duty status in the armed forces, the armed forces military reserve, or the National Guard.

The law indicates anyone serving in the military, on a military order, would be exempt from state tax. This would exclude men and women who are performing drill periods.

The Iowa Administrative Code 701, Chapter 40.76, interprets the law as only members of the military who are in a Title 10 status are authorized the tax exemption.

This means that Active Component service members receive the tax benefit, in addition to any Reserves on an active order to include their two-week annual training. In addition, specific jobs within the Iowa National Guard are paid using Title 10 funding.

When congress designated the Armed Forces and the National Guard in law, they were separated: Title 32 for the National Guard and Title 10 for the Active Duty and Reserves. The separated titles is because of the inherent relationship of the National Guard to their respective states.

Funding is passed down through congress to the Office of the Secretary of Defense and to the Departments. As this funding moves, it is separated for its purpose, and the authority is in the law.

Service members in the National Guard work next to each other in the same job, but only one is able to use tax exemption. The physical white-paper, military order, is the same with exception to the authority line. But funding for both service members derived from the federal government.

The LSA conducted a fiscal analysis and concluded the tax reduction for FY17 would be \$8.7m. This is assumed no exempted dollars would return to the state.

### ADDITIONAL BENEFITS:

Increased spending in local economies in all 99 Iowa counties

Service members to remain in Iowa thus retaining high-skilled, educated employees in Iowa's workforce

Retain members of the Iowa National Guard, thus lowering costs

Compete with other states for recruitment of workforces

Think about what the Iowa National Guard does for you, your family, the state and the Nation in support of domestic response and protecting our Nation's sovereignty.

Take part in developing a fiscally responsible, long-term strategy, eliminating this inequity to reinvest in the Soldiers and Airmen of the Iowa National Guard.