

TABLE 15 – WATERLOO/CEDAR FALLS, IOWA MSA
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TAXATION

Corporate Income Tax		State	Local	*Imposed only on net income after federal adjustment
Rate*			n/a	
First \$25,000		6%		
Next \$75,000		8%		
Next \$150,000		10%		
Over \$250,000		12%		
Formula (e.g. Sales, Property & Payroll)				
Sales		100%		
Property		0%		
Payroll		0%		
Federal Taxes Deductible		50%		
Accelerated Depreciation Permitted (Yes or No)		Yes, if allowed on Federal		
Franchise Tax (Only Applicable for Financial Institutions)		State	Local	
Rate		5%	n/a	
Personal Income Tax		State	Local	**After deductions including federal income taxes; rates effective for 2008.
Rate (Earned Income)**			n/a	
\$0 - \$1,379		0.36%		
\$1,379 - \$2,758		0.72%		
\$2,758 - \$5,516		2.43%		
\$5,516 - \$12,411		4.50%		
\$12,411 - \$20,685		6.12%		
\$20,685 - \$27,580		6.48%		
\$27,580 - \$41,370		6.80%		
\$41,370 - \$62,055		7.92%		
\$62,055 - over		8.98%		
Rate (Unearned Income)		same		

Local Occupation Tax (Paid by Employee)	Rate	Basis	
City Residents	n/a	n/a	
Non-City Residents	n/a	n/a	
Local Wage Tax (Paid by Employer)	Rate	Basis	
City Residents	n/a	n/a	
Non-City Residents	n/a	n/a	
Retail Sales Tax Gross Receipts By Business Class – Black Hawk County, FY2008***			
A) Utilities/Transportation	\$8,845,618	***Iowa Retail Sales & Use Tax Report, FY 2008, Iowa Department of Revenue	
B) Building Materials	\$8,428,029		
C) General Merchandise	\$14,603,770		
D) Food	\$2,946,430		
E) Motor Vehicle	\$4,160,247		
F) Apparel	\$2,143,569		
G) Home Furnishings	\$3,874,820		
H) Eating & Drinking	\$8,559,808		
I) Specialty	\$6,027,613		
J) Services	\$11,711,469		
K) Wholesale	\$5,741,294		
L) Misc.	\$5,542,465		
Total	\$82,585,132		
Sales/Use Tax Rate			
State	6%		
Local	1%		
Total	7%		
Sales Tax Rate by Utility			
Electric Power	7% ****	****Exempt for portion used in manufacturing process	
Natural Gas	7% ****		
Fuel Oil	7%		
Water	7%		
Sewer	7%		

Hazardous Waste Disposal	7%			
Telephone Sales Tax Rate (State and Local Combined)				
Local (Intrastate)	7%			
Long Distance In State	7%			
Long Distance Out of State (Interstate)	0%			
Machinery & Equipment Subject to Sales/Use Tax				
Production	Exempt – 0%			
Non-Production	7%			
Pollution Control	Exempt – 0%			
Office Furniture/Fixtures/Equipment	7%			
Materials In Process	Exempt – 0%			
Manufacturing Inventory	Exempt – 0%			
Computers Process Data – insurance, financial institutions	Exempt – 0%			
Sales/Use Tax (Yes or No) on:				
Office Building Construction Materials	Yes			
Industrial Building Construction Materials	Yes			
Manufacturer's Raw Materials	No			
Standard Software	Yes			
Custom Software – Programming	No			
Intangible Property				
Describe What is Subject to Tax Rate (e.g Accounts Receivable, Capital Stock)	None*****	*****Intangible Property would be subject for foreign owned companies engaged in business loans		
Basis & Rate	n/a			
Stock Bond Transaction Fee (Yes or No, if Yes, List Rate)	n/a			
Real Property Tax Rates per \$100 Assessed Valuation – For Taxes Payable in Fiscal Year 2009	City of Cedar Falls	City of Evansdale	City of Hudson	City of Waterloo
City Millage	\$1.33	\$0.67	\$0.97	\$1.84
County Millage	\$0.69	\$0.69	\$0.69	\$0.69
School Millage	\$1.37	\$1.67	\$1.60	\$1.67
Special District Millage	\$0.14	\$0.14	\$0.14	\$0.14

Total Millage (per \$100 assessed valuation)	\$3.53	\$3.17	\$3.40	\$4.33
Assessment Ratio (%)	100%	100%	100%	100%
Effective Rate per \$100	\$3.53	\$3.17	\$3.40	\$4.33
Personal Property Tax Rates	City of Cedar Falls	City of Evansdale	City of Hudson	City of Waterloo
City Millage	n/a	n/a	n/a	n/a
County Millage				
School Millage				
Special District Millage				
Assessment Ratio (%)				
Effective Rate per \$100				
State Property Tax Effective Rate per \$100				
Real Property (land/building)	n/a			
Personal Property (machinery/equipment)	n/a			
Subject to Personal Property Tax				
Production Machinery & Equipment	Yes			
Non-Production Machinery & Equipment	No			
Pollution Control	No			
Inventory				
Raw Materials	No			
Work in Progress	No			
Finished Goods	No			
Freeport Legislation				
Applicable to Warehousing	No			
Applicable to Manufacturing	No			
Goods Stored in a Public Warehouse	No			
City/County Option to Allow Freeport (Yes/No)	n/a			
Office Furniture-Fixtures				
Computer Equipment	No			
Workstations	No			

Telephones	No	
Furniture	No	
Company Vehicles	No	
Standard Software	Yes	
Custom Software	No	

Source: Greater Cedar Valley Alliance

This information cannot be published or altered without the prior written consent of Greater Cedar Valley Alliance. We encourage the use of the information by site selection consultants and companies as deemed necessary to evaluate the community for business locations.