

# Tax Parity Between Banks and Credit Unions

## Talking Points

- Banks pay about \$360 million a year in taxes to support Iowa's infrastructure, education system, justice system and many other key government functions. Credit unions, who are offering almost identical services as banks, pay no taxes on their profits.
- The State keeps coming up short on revenue and is having to make cuts in most areas of the budget, yet credit unions continue to enjoy a tax exempt status and are contributing nothing toward these vital state government services.
- Credit unions claim they give all of their profits back to their members in the form of lower rates on loans and higher rates on savings. But, the facts don't support that claim! Just look around - the mega credit unions are building lavish office buildings and facilities, paying generous executive salaries, funding enormous political advertising campaigns, and occasionally even purchase naming rights to sports and convention facilities. These are not acceptable traits for legitimate nonprofit organizations.
- Each time a customer leaves a tax-paying bank and opens an account with a credit union, your State and community loses and we all end up footing the bill.
- The facts also show that the mega credit unions are most interested in serving affluent customers and neighborhoods, and are not serving less desirable customers and areas of communities as community banks do.