



STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF MANAGEMENT
MICHAEL TRAMONTINA, DIRECTOR

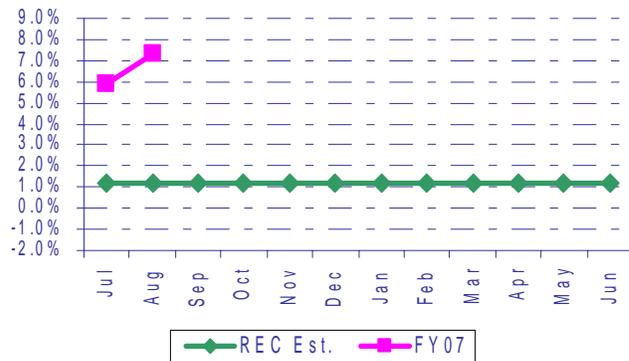
DATE: September 5, 2006
TO: The Honorable Thomas J. Vilsack
The Honorable Sally J. Pederson
FROM: Michael Tramontina, Director
Department of Management
RE: August 2006 General Fund Receipts

General fund receipts for August totaled \$620.1 million, which is \$46.6 million or 8.1 percent more than was collected during August 2005. August 2006 had 23 processing days as did August 2005. Fiscal year-to-date, general fund receipts totaled \$973.8 million, an increase of 7.3 percent over receipts for the same period last year. The official estimated rate of annual growth is 1.2 percent.

Summary

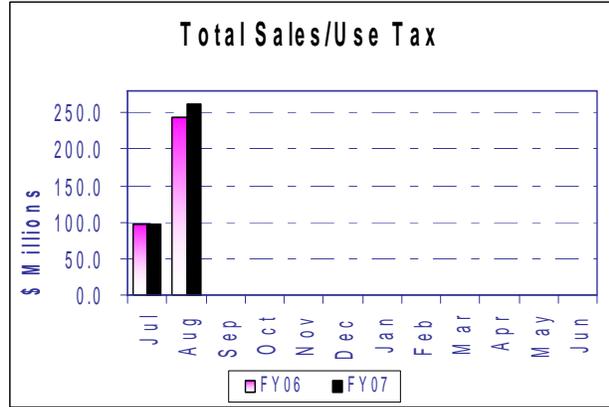
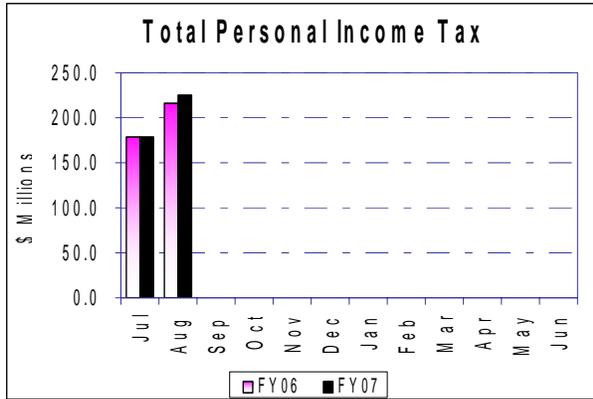
Growth in corporate income tax, sales/use tax and personal income tax, coupled with increase in cigarette and insurance premium tax helped year-to-date growth post a 7.3% rate. A review of the fiscal year estimate will occur at the October meeting of the Revenue Estimating Conference. The official estimate rate of growth is currently at 1.2 percent.

Year-to-Date Growth by Month



Personal Income Tax

Personal income tax receipts totaled \$225.1 million during August. This represents \$8.5 million or 3.9 percent more than the receipts of August 2005. Withholding tax receipts increased \$6.6 million or 3.2 percent compared to last year. Estimated payments increased by \$0.4 million. Final return payments increased by \$1.4 million. Personal income tax receipts were estimated to grow by 2.2 percent for the year.

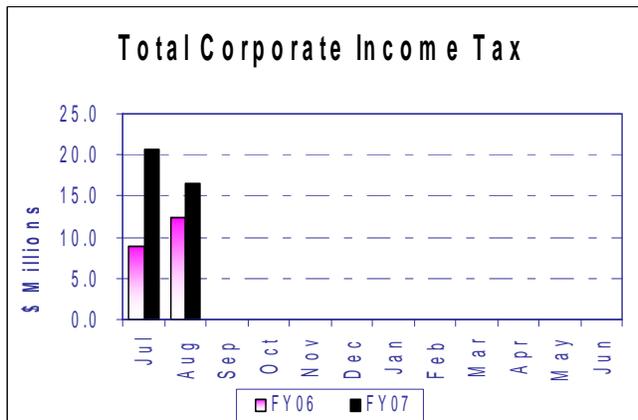


Sales/Use Tax

August sales/use tax receipts totaled \$261.3 million, which is an increase of \$16.3 million or 6.7 percent compared to August 2005. For the fiscal year, sales/use tax receipts are \$358.2 million, representing an increase of 4.7%. The annual estimated rate of sales/use tax growth was 3.5 percent.

Corporate Income Tax

Corporate income tax receipts during August totaled \$16.6 million, which is \$4.2 million or 33.9 percent more than in August 2005. For the fiscal year, corporate income tax receipts totaled \$37.2 million or 75.5% more than last year. Corporate income tax receipts were estimated to increase at a rate of negative 8.2 percent.



**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE MONTH ENDING AUGUST 31, 2006
(\$ MILLIONS)**

CASH BASIS

	MONTH OF AUGUST		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$216.6	\$225.1	\$8.5	3.9%	2.2%
Sales/Use Tax	245.0	261.3	16.3	6.7%	3.5%
Corporate Income Tax	12.4	16.6	4.2	33.9%	-8.2%
Inheritance Tax	6.1	5.9	(0.2)	-3.3%	-4.8%
Insurance Premium Tax	47.4	56.5	9.1	19.2%	4.0%
Cigarette Tax	7.8	9.6	1.8	23.1%	0.6%
Tobacco Tax	0.8	0.6	(0.2)	-25.0%	-1.1%
Beer Tax	1.3	1.3	0.0	0.0%	2.8%
Franchise Tax	0.5	0.2	(0.3)	-60.0%	-7.6%
Miscellaneous Tax	(2.1)	(1.2)	0.9	-42.9%	20.0%
Total Special Taxes	\$535.8	\$575.9	\$40.1	7.5%	1.8%
Institutional Payments	1.7	1.1	(0.6)	-35.3%	-0.8%
Liquor Transfers:	5.8	6.0	0.2	3.4%	-3.0%
Interest	0.8	1.2	0.4	50.0%	-23.3%
Fees	7.7	6.8	(0.9)	-11.7%	-8.1%
Judicial Revenue	1.4	1.9	0.5	35.7%	-1.9%
Miscellaneous Receipts	2.6	2.5	(0.1)	-3.8%	-30.1%
Racing and Gaming	17.7	24.7	7.0	39.5%	0.0%
Total Receipts	\$573.5	\$620.1	\$46.6	8.1%	1.2%
Transfers	\$8.0	\$0.1	(\$7.9)		
Total Rcpts & Transfers	\$581.5	\$620.2	\$38.7		

Iowa Department of Management
September 5, 2006

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE TWO MONTH ENDING AUGUST 31, 2006
(\$ MILLIONS)**

CASH BASIS

	TWO MONTHS THROUGH AUGUST		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$394.6	\$404.2	\$9.6	2.4%	2.2%
Sales/Use Tax	342.2	358.2	16.0	4.7%	3.5%
Corporate Income Tax	21.2	37.2	16.0	75.5%	-8.2%
Inheritance Tax	12.1	11.8	(0.3)	-2.5%	-4.8%
Insurance Premium Tax	48.6	58.0	9.4	19.3%	4.0%
Cigarette Tax	14.9	16.3	1.4	9.4%	0.6%
Tobacco Tax	1.5	1.6	0.1	6.7%	-1.1%
Beer Tax	2.7	2.8	0.1	3.7%	2.8%
Franchise Tax	2.9	2.5	(0.4)	-13.8%	-7.6%
Miscellaneous Tax	(0.1)	0.1	0.2	-200.0%	20.0%
Total Special Taxes	\$840.6	\$892.7	\$52.1	6.2%	1.8%
Institutional Payments	2.3	2.1	(0.2)	-8.7%	-0.8%
Liquor Transfers:	7.8	8.8	1.0	12.8%	-3.0%
Interest	2.0	4.0	2.0	100.0%	-23.3%
Fees	11.1	15.3	4.2	37.8%	-8.1%
Judicial Revenue	8.0	9.9	1.9	23.8%	-1.9%
Miscellaneous Receipts	7.0	4.8	(2.2)	-31.4%	-30.1%
Racing and Gaming	28.8	36.2	7.4	25.7%	0.0%
Total Receipts	\$907.6	\$973.8	\$66.2	7.3%	1.2%
Transfers	\$22.5	\$14.0	(\$8.5)		
Total Rcpts & Transfers	\$930.1	\$987.8	\$57.7		

Iowa Department of Management
September 5, 2006

Iowa Economic Snapshot August 2006

Iowa Workforce Development

Iowa's Unemployment Rate 3.8%

The statewide labor force increased to 1,679,200 in July, from 1,676,600 in June. The increase can be attributed to expectations of a growing and expanding Iowa economy. The increased labor force caused the state's seasonally adjusted unemployment rate to increase to 3.8% from a June rate of 3.6%. The jobless rate stood at 4.5% one year ago. Most indicators continue showing signs of a growing and stable Iowa economy.

Iowa's Nonfarm Employment 1,510,600

The state economy continued to exhibit measured growth in July. The total number of working Iowans was reported at 1,614,700 in July; 1,000 less than in June. One year ago, the number was 1,588,200.

Iowa's nonfarm employment (i.e., total private non-farm excluding government) totaled 1,510,600 in July. This number is 2,500 more than in June 2006 and 29,100 more than in July 2005. The July totals represent another new all-time high for nonfarm employment in the state. Growth was especially significant in government, education and health services, construction, and professional and business services. Trade and transportation, manufacturing, and other services posted slight declines.

- 34.3 Average Weekly Hours
- \$14.86 Average Hourly Earnings

Iowa's Manufacturing Employment 235,100

In July 2006, manufacturing employment stood at 234,600, down -0.2% from a revised June figure of 235,000.

Workers in manufacturing earned \$707.52 a week in July 2006.

- Working 43.3 Average Weekly Hours
- \$16.34 Average Hourly Earnings

Iowa's Unemployment Benefit Payments \$19.8 million

Iowa jobless benefits payments for July 2006 totaled \$19.8 million for 26,618 claimants. This represents a decrease of \$3.1 million from the June value of \$22.9 million for 25,462 jobless Iowans. The loss of a fifth processing Wednesday in July accounted for the entire decline. One year ago, payments totaled \$19.0 million for 25,834 claimants.

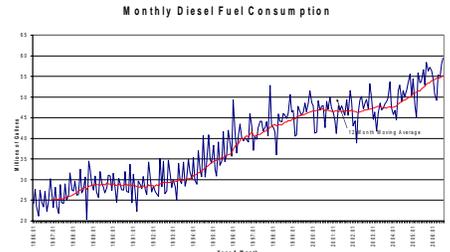
- 7,276 First Payments

Iowa Department of Revenue

Diesel Fuel Consumption

Diesel fuel consumption during July 2006 in Iowa for transportation purposes increased by 2.739 million gallons (4.84%) compared to the same month last year. Diesel fuel consumption continues to exhibit modest year-over-year growth. This month's level of diesel fuel consumption totaled 55.251 million gallons on a 12-month moving average basis.

Prior to the 2001 recession, diesel fuel consumption peaked at 47.189 million gallons, so diesel fuel consumption is now 17.08% over last pre-recession peak.



Real Estate Transfer Tax

During July 2006 real estate transfer tax collections decreased by 15.63% compared to July 2005.

The decrease during July is the second monthly decrease out of the past three months. During July the interest rate for 30-year conventional mortgages nationally averaged 6.76%, which was up 0.08% from June, but still 0.31% below the December 2001 peak of 7.07%. Also, over the past five weeks the interest rate for 30-year conventional mortgages has dropped back 0.32%.

