



CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF MANAGEMENT  
CHARLES J. KROGMEIER, DIRECTOR

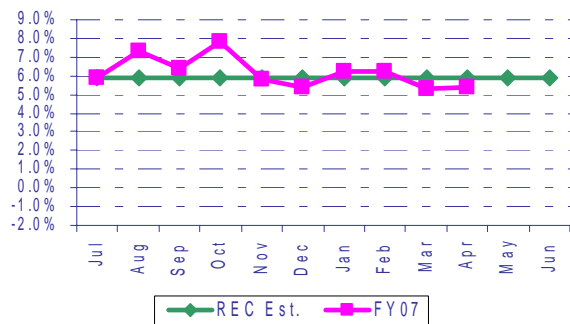
DATE: May 2, 2007  
TO: The Honorable Chester J. Culver  
The Honorable Patty Judge  
FROM: Charles J. Krogmeier, Director  
Department of Management  
RE: April 2007 General Fund Receipts

General Fund receipts for April totaled \$471.5 million, which is \$29.0 million or 6.6 percent more than was collected during April 2006. April 2007 had 22 processing days as compared to 20 processing days in April 2006. Fiscal year-to-date, General Fund receipts totaled \$4,773.6 million, an increase of 5.4 percent over receipts for the same period last year. The official estimated rate of annual growth is 5.9 percent.

### Summary

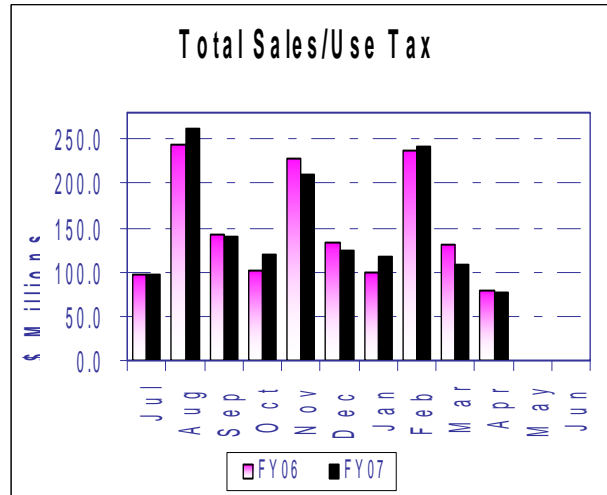
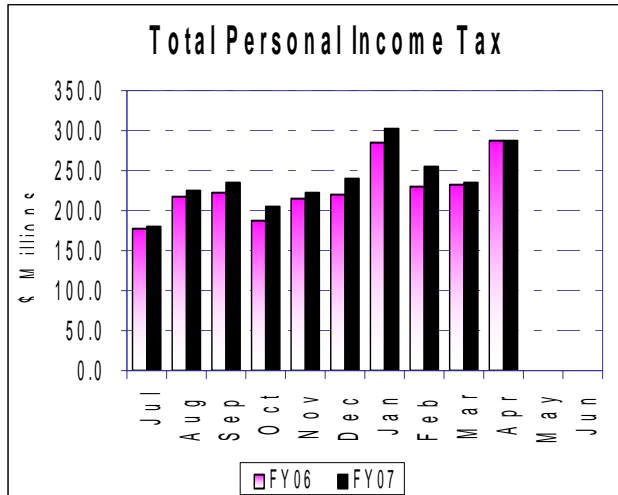
Corporate income tax growth backed by growth in tobacco and cigarette tax and moderate growth in personal income, inheritance, and insurance premium tax, helped year-to-date growth post a 5.4% rate. The official estimate rate of growth is currently at 5.9 percent.

Year-to-Date Growth by Month



### Personal Income Tax

Personal income tax receipts totaled \$237.5 million during April. This represents \$0.2 million or 0.1 percent more than the receipts of April 2006. Withholding tax receipts decreased \$1.9 million or 1.2 percent compared to last year. Most of the April decrease in withholding receipts can be attributed to about 304 semimonthly filers who made payments the first half of 2006 and failed to make corresponding payments in 2007. Estimated payments increased by \$16.6 million. Estimate payments processed in April 2007 increased by 77.4 percent over the same period last year. Final return payment decreased by \$14.5 million. An increase in the school tax-surcharge transfer was the major component of the adjustment in final return payments. Fiscal year-to-date, personal income tax receipts totaled \$2,389.1 million, an increase of 5.0 percent. Personal income tax receipts were estimated to grow by 6.3 percent for the year.

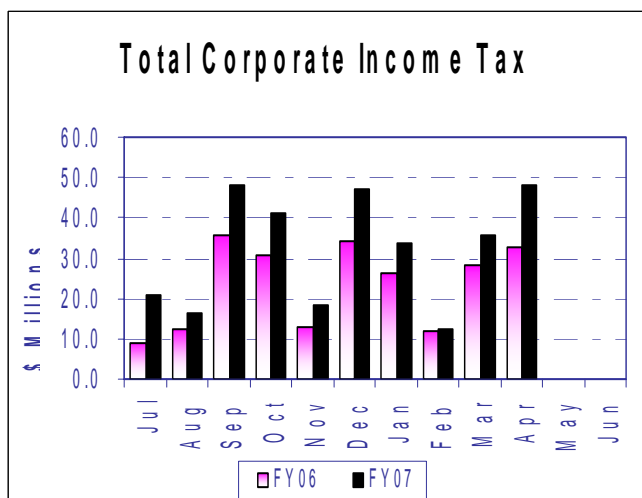


Sales/Use Tax

April sales/use tax receipts totaled \$76.8 million, which represents a decrease of \$3.2 million or 4.0 percent compared to April 2006. Receipts were affected by changes in adjustments for increases in local option tax distributions. For the fiscal year, sales/use tax receipts are \$1,497.6 million, representing an increase of 0.3%. The annual estimated rate of sales/use tax growth was 1.3 percent.

Corporate Income Tax

Corporate income tax receipts during April totaled \$48.0 million, which is \$15.4 million or 47.2 percent more than in April 2006. For the fiscal year, corporate income tax receipts totaled \$321.5 million or 37.5% more than last year. Corporate income tax receipts were estimated to increase at a rate of 26.4 percent.



**STATE OF IOWA  
 GENERAL FUND RECEIPTS STATEMENT  
 FOR THE MONTH ENDING APRIL 30, 2007  
 (\$ MILLIONS)**

**CASH BASIS**

	MONTH OF APRIL		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$287.3	\$287.5	0.2	0.1%	6.3%
Sales/Use Tax	80.0	76.8	(3.2)	-4.0%	1.3%
Corporate Income Tax	32.6	48.0	15.4	47.2%	26.4%
Inheritance Tax	4.5	5.2	0.7	15.6%	3.8%
Insurance Premium Tax	1.4	0.0	(1.4)	N/A	-3.7%
Cigarette Tax	6.8	9.5	2.7	39.7%	36.5%
Tobacco Tax	0.1	1.4	1.3	1300.0%	26.1%
Beer Tax	1.1	1.1	0.0	0.0%	0.0%
Franchise Tax	3.0	3.1	0.1	3.3%	3.9%
Miscellaneous Tax	0.3	0.3	0.0	0.0%	66.7%
<b>Total Special Taxes</b>	<b>\$417.1</b>	<b>\$432.9</b>	<b>\$15.8</b>	<b>3.8%</b>	<b>6.1%</b>
Institutional Payments	0.6	1.2	0.6	100.0%	-3.1%
Liquor Transfers:	5.2	6.3	1.1	21.2%	4.7%
Interest	1.2	2.1	0.9	75.0%	65.7%
Fees	7.2	9.3	2.1	29.2%	7.3%
Judicial Revenue	8.4	9.1	0.7	8.3%	1.9%
Miscellaneous Receipts	2.8	10.6	7.8	278.6%	-28.0%
Racing and Gaming	0.0	0.0	0.0	N/A	0.0%
<b>Total Receipts</b>	<b>\$442.5</b>	<b>\$471.5</b>	<b>\$29.0</b>	<b>6.6%</b>	<b>5.9%</b>
Transfers	\$28.5	\$16.9	(\$11.6)		
<b>Total Rcpts &amp; Transfers</b>	<b>\$471.0</b>	<b>\$488.4</b>	<b>\$17.4</b>		

Iowa Department of Management  
 May 2, 2007

**STATE OF IOWA  
 GENERAL FUND RECEIPTS STATEMENT  
 FOR THE TEN MONTHS ENDING APRIL 30, 2007  
 (\$ MILLIONS)**

**CASH BASIS**

	TEN MONTHS THROUGH APRIL		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$2,274.8	\$2,389.1	\$114.3	5.0%	6.3%
Sales/Use Tax	1,492.4	1,497.6	5.2	0.3%	1.3%
Corporate Income Tax	233.8	321.5	87.7	37.5%	26.4%
Inheritance Tax	59.4	62.8	3.4	5.7%	3.8%
Insurance Premium Tax	67.5	70.6	3.1	4.6%	-3.7%
Cigarette Tax	72.5	80.0	7.5	10.3%	36.5%
Tobacco Tax	6.6	8.2	1.6	24.2%	26.1%
Beer Tax	11.7	11.7	0.0	0.0%	0.0%
Franchise Tax	23.5	24.3	0.8	3.4%	3.9%
Miscellaneous Tax	0.6	1.4	0.8	0.0%	66.7%
<b>Total Special Taxes</b>	<b>\$4,242.8</b>	<b>\$4,467.2</b>	<b>\$224.4</b>	<b>5.3%</b>	<b>6.1%</b>
Institutional Payments	10.4	10.3	(0.1)	-1.0%	-3.1%
Liquor Transfers:	46.2	50.6	4.4	9.5%	4.7%
Interest	15.7	26.8	11.1	70.7%	65.7%
Fees	67.0	76.3	9.3	13.9%	7.3%
Judicial Revenue	48.3	53.4	5.1	10.6%	1.9%
Miscellaneous Receipts	38.6	30.0	(8.6)	-22.3%	-28.0%
Racing and Gaming	60.0	59.0	(1.0)	-1.7%	0.0%
<b>Total Receipts</b>	<b>\$4,529.0</b>	<b>\$4,773.6</b>	<b>\$244.6</b>	<b>5.4%</b>	<b>5.9%</b>
Transfers	\$143.6	\$68.3	(\$75.3)		
<b>Total Rcpts &amp; Transfers</b>	<b>\$4,672.6</b>	<b>\$4,841.9</b>	<b>\$169.3</b>		

Iowa Department of Management  
 May 2, 2007

## Iowa Economic Snapshot April 2007

### Iowa Workforce Development

#### Iowa's Unemployment Rate 3.2%

The statewide labor force decreased slightly from 1,659,500 in February to 1,656,500 in March. This was the second straight month that the labor force had declined. The decline in the labor force is not significant as the amount of the labor force usually corresponds with the amount of hiring. Hiring across most industry sectors were slow paced for the month. The trend in the labor force helped the state's seasonally adjusted unemployment rate drop to 3.2% from a February rate of 3.3%. The jobless rate stood at 3.9% one year ago. There is little evidence to suggest that the stable economic growth is about to taper off any time soon.

#### Iowa's Nonfarm Employment 1,519,000

Iowa's nonfarm employment (i.e., total private non-farm including government) totaled 1,519,000 in March. This number represents a gain of 1,100 jobs from the February revised figure and 18,700 more jobs than in March 2006. The March 2007 figure was the fifth straight month of growth for the nonfarm sector. New jobs were added in all major sectors except mining, education and health services, other services, and government. Leading the job growth are the following sectors: professional and business services with 700 additional jobs, financial activities with 500 additional jobs, construction, manufacturing, trade and transportation, and leisure and hospitality with 200 additional jobs each.

- 33.0 Average Weekly Hours
- \$15.14 Average Hourly Earnings

#### Iowa's Manufacturing Employment 232,100

In March 2007, manufacturing employment stood at 232,100, up from the revised February figure of 231,900. Workers in manufacturing earned \$698.89 a week in March 2007.

- Working 41.9 Average Weekly Hours
- \$16.68 Average Hourly Earnings

#### Iowa's Unemployment Benefit Payments

### \$40.8 million

Iowa jobless benefits payments for March 2007 totaled \$40.8 million for 44,532 claimants. This represents a decrease of \$2.9 million from the February figure of \$43.7 million for 46,159 jobless Iowans. Over the month increases in construction, transportation, administrative and waste management and health care and social assistance were not significant enough to offset decreases in manufacturing, transportation and educational services. One year ago, payments totaled \$41.6 million for 40,795 claimants.

- 6,419 First Payments

### New Information: Current National and Regional Economic Outlook

In the most current report released on April 17, 2007 by the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce, final estimates for the fourth quarter of 2006 for the Gross Domestic Product (GDP) shows an acceleration of economic growth. Real GDP increased 2.5 percent, revised up 0.3 percentage points from the preliminary estimate as compared to 2.0 percent increase in the third quarter. For 2006, real GDP grew 3.3 percent, compared with a 3.2 percent increase for 2005. According to the BEA, "the acceleration in real GDP growth in the fourth quarter primarily reflected a downturn in imports and accelerations in consumer spending, exports, and Federal Government spending, which were moderated by downturns in investment in inventories and equipment and software investment and by a deceleration in nonresidential structures investment."

**Economic Indicators** from the Federal Reserve Bank of Chicago:

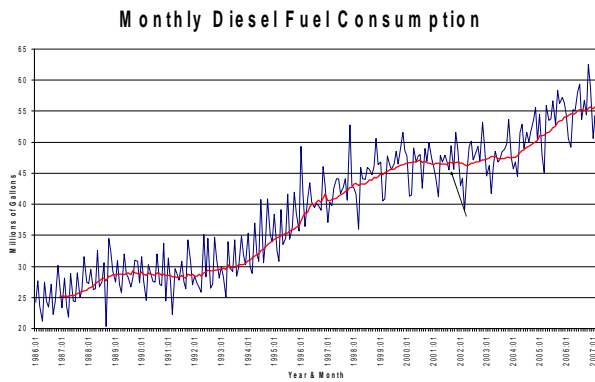
- Midwest farmland values at + 9 percent year over year.
- The Midwest Manufacturing Index (CFMMI) – a monthly estimate by major industry of manufacturing output in the Seventh Federal Reserve District which includes Iowa - at + 0.8 percent in March.
- The National Activity Index (CFNAI) – a monthly index designed to better gauge overall economic activity and inflationary pressure - at + 0.01 percent in March.

- The Michigan Retail Index – a forecast of retail sales and three month outlook - at - 0.6 for sales outlook and +2.1 for sales performance.

**Iowa Department of Revenue**

**Diesel Fuel Consumption**

Diesel fuel consumption during March 2007 in Iowa for transportation purposes was almost the same as during March 2006 decreasing by 0.017 million gallons (0.03%) compared to the same month last year. A severe snow storm during the first week of the month likely depressed diesel fuel consumption during March. This month's level of diesel fuel consumption totaled 55.683 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 18.88% over the last pre-recession peak.



**Real Estate Transfer Tax**

During March 2007 real estate transfer tax collections increased by 1.70% compared to March 2006. Real estate transfer tax has now experienced small increases for two months in a row. During March the interest rate for 30-year conventional mortgages nationally averaged 6.16%, which was down 0.13% from February, and still 0.91% below the December 2001 peak of 7.07%, and 0.16% below March 2006.

**Real Estate Transfer Tax**  
 Indexed Values (1990:07 = 1.00)

