




STATE OF IOWA

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

DEPARTMENT OF MANAGEMENT
CHARLES J. KROGMEIER, DIRECTOR

DATE: Dec 4, 2007

TO: The Honorable Chester J. Culver
The Honorable Patty Judge

FROM: Charles J. Krogmeier, Director 
Department of Management

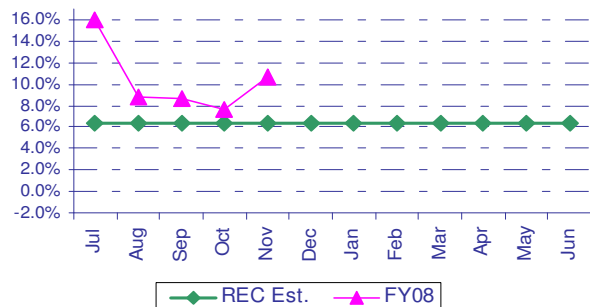
RE: November 2007 General Fund Receipts

General Fund receipts for November totaled \$592.5 million, which is \$106.1 million or 21.8 percent more than was collected during November 2006. November 2007 had 19 processing days as did November 2006. Fiscal year-to-date, General Fund receipts totaled \$2,603.4 million, an increase of 10.7 percent over the same period last year. The Revenue Estimating Conference official estimated rate of annual growth is 6.3 percent for Fiscal Year 2008. It is important to note that these figures are on a cash basis and do not include any adjustments for tax refunds or accruals, which could reduce available revenue.

Summary

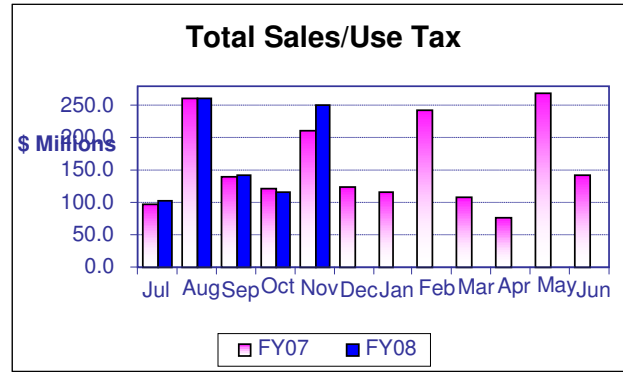
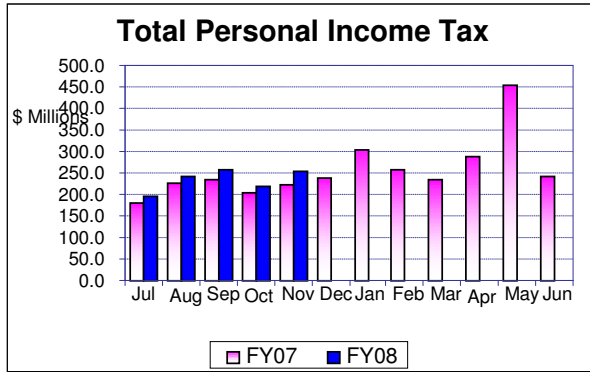
Personal income tax and corporate income tax led the growth in General Fund receipts. Growth also rebounded in sales/use tax. Cigarette and tobacco tax maintained strong growth due to the increase in these taxes in March 2007. These trends helped year-to-date growth post a 10.7 percent rate. The official estimate rate of growth is currently at 6.3 percent for Fiscal Year 2008.

Year-to-Date Growth by Month



Personal Income Tax

Personal income tax receipts totaled \$252.1 million during November. This represents \$30.6 million or 13.8 percent more than the receipts of November 2006. Withholding tax receipts increased \$26.3 million or 12.4 percent compared to last year. The withholding receipts include a non-wage withholding payment and several firms making unusual but annual payments late in the month. Estimated payments increased by \$0.6 million. Final return payment increased by \$3.7 million. Fiscal year-to-date, personal income tax receipts totaled \$1,168.4 million, an increase of 9.5 percent. Personal income tax receipts were estimated to grow by 5.7 percent for the year.

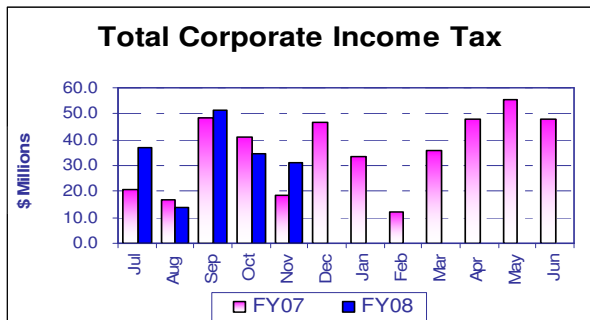


Sales/Use Tax

November sales/use tax receipts totaled \$250.3 million, which represents an increase of \$40.2 million or 19.1 percent compared to November 2006. Receipts were affected by adjustments for local option tax reconciliation payments and account receivable collections. For the fiscal year, sales/use tax receipts totaled \$874.2 million, representing an increase of 5.5 percent. The annual estimated rate of sales/use tax growth was 3.0 percent.

Corporate Income Tax

Corporate income tax receipts during November totaled \$31.1 million, which is \$12.9 million or 70.9 percent less than in November 2006. Receipts were affected by the tax amnesty. For the fiscal year, corporate income tax receipts totaled \$ 168.3 million or 16.3 percent more than last year. Corporate income tax receipts were estimated to increase at a rate of 2.7 percent.



Cigarette and Tobacco Tax

Receipts from cigarette tax revenue stood at \$20.5 million in November 2007. This represents an increase of \$13.6 million or 197.1 percent over receipts in same month of 2006. Receipts from tobacco tax stood at \$2.1 million. This represents an increase of \$1.2 million or 133.3 percent over the same month in 2006. These increased rates of growth are due to the increase in these taxes that took effect in March 2007 and continue to be a driving force in the current general revenue growth. Fiscal year-to-date, cigarette and tobacco tax receipts totaled \$99.7 million and \$9.2 million respectively. Cigarette and tobacco tax receipts were estimated to increase at a rate of 82.9 percent and 53.7 percent respectively.

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

CASH BASIS

	MONTH OF NOVEMBER		FY08 Over (Under) FY07		FY08 Annual Est Percent
	FY07	FY08	Dollars	Percent	Of Growth
Personal Income Tax	\$221.5	\$252.1	\$30.6	13.8%	5.7
Sales/Use Tax	210.1	250.3	40.2	19.1%	3.0
Corporate Income Tax	18.2	31.1	12.9	70.9%	2.7
Inheritance Tax	5.5	8.1	2.6	47.3%	10.0%
Insurance Premium Tax	0.1	0.0	(0.1)	-100.0%	19.4%
Cigarette Tax	6.9	20.5	13.6	197.1%	82.9%
Tobacco Tax	0.9	2.1	1.2	133.3%	53.7%
Beer Tax	1.1	1.2	0.1	9.1	2.1
Franchise Tax	0.4	0.1	(0.3)	-75.0%	-9.3%
Miscellaneous Tax	0.1	0.2	0.1	100.0%	0.0
Total Special Taxes	\$464.8	\$565.7	\$100.9	21.7%	6.5%
Institutional Payments	0.8	1.4	0.6	75.0%	-2.3%
Liquor Transfers:	4.3	5.5	1.2	27.9%	4.6
Interest	3.9	4.7	0.8	20.5%	-30.3%
Fees	5.1	4.2	(0.9)	-17.6%	-13.0%
Judicial Revenue	5.4	8.5	3.1	57.4%	33.9%
Miscellaneous Receipts	2.1	2.5	0.4	19.0%	12.0%
Racing and Gaming	0.0	0.0	0.0	N/A	0.0
Total Receipts	\$486.4	\$592.5	\$106.1	21.8%	6.3%
Transfers	\$0.2	\$0.3	\$0.1		
Total Rcpts & Transfers	\$486.6	\$592.8	\$106.2		

**Iowa Department of Management
December 4, 2007**

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

CASH BASIS

	FIVE MONTHS THROUGH NOVEMBER		FY08 Over (Under) FY07		FY08 Annual Est Percent Of Growth
	FY07	FY08	Dollars	Percent	
Personal Income Tax	\$1,066.6	\$1,168.4	\$101.8	9.5	5.7
Sales/Use Tax	828.6	874.2	45.6	5.5	3.0
Corporate Income Tax	144.7	168.3	23.6	16.3%	2.7
Inheritance Tax	31.0	31.7	0.7	2.3	10.0%
Insurance Premium Tax	60.3	52.4	(7.9)	-13.1%	19.4%
Cigarette Tax	37.3	99.7	62.4	167.3%	82.9%
Tobacco Tax	4.0	9.2	5.2	130.0%	53.7%
Beer Tax	6.4	6.5	0.1	1.6	2.1
Franchise Tax	9.8	11.0	1.2	12.2%	-9.3%
Miscellaneous Tax	0.3	0.4	0.1	33.3%	0.0
Total Special Taxes	\$2,189.0	\$2,421.8	\$232.8	10.6%	6.5%
Institutional Payments	5.1	6.0	0.9	17.6%	-2.3%
Liquor Transfers:	21.6	25.8	4.2	19.4%	4.6
Interest	12.5	12.9	0.4	3.2	-30.3%
Fees	30.4	29.9	(0.5)	-1.6%	-13.0%
Judicial Revenue	23.3	33.7	10.4	44.6%	33.9%
Miscellaneous Receipts	11.2	13.6	2.4	21.4%	12.0%
Racing and Gaming	59.0	59.7	0.7	1.2	0.0
Total Receipts	\$2,352.1	\$2,603.4	\$251.3	10.7%	6.3%
Transfers	\$37.3	\$37.3	\$0.0		
Total Rcpts & Transfers	\$2,389.4	\$2,640.7	\$251.3		

Iowa Department of Management
December 4, 2007

Iowa Economic Snapshot November 2007

Iowa Workforce Development

Iowa's Unemployment Rate 3.9%

The statewide labor force increased slightly from 1,673,500 in September to 1,675,300 in October. The increase in the labor force reflected optimistic expectations of the economy by employers and job seekers. Hiring across most industry sectors showed signs of an increased activity. With the increased labor force figures and employment figures, the state's seasonally adjusted unemployment rate held steady at 3.9 percent from the September rate. According to the Iowa Department of Workforce Development, "the Iowa labor market appears to be holding its own in spite of the current turmoil in the financial markets, and the slowdown in housing." The jobless rate was reported at 3.5 percent one year ago.

Iowa's Nonfarm Employment 1,525,400

Iowa's nonfarm employment (i.e., total private non-farm including government) totaled 1,525,400 in October. This number represents a loss of 900 jobs from the September revised figure and 22,500 more jobs than in October 2006. The increase in the October figure was mainly in professional and business services with 1,000 additional jobs and financial activities, which were up by 400 additional jobs. Construction, manufacturing and health services were each down by 500 over the month, and hospitality decreased by 400. October was the third straight month of negative growth for manufacturing.

- 33.5 Average Weekly Hours
- \$15.43 Average Hourly Earnings

Iowa's Manufacturing Employment 230,300

In October 2007, manufacturing employment stood at 230,000, down from the revised September figure of 230,800. Workers in manufacturing earned \$690.56 a week in October 2007.

- Working 41.5 Average Weekly Hours
- \$16.64 Average Hourly Earnings

Iowa's Unemployment Benefit Payments \$19.6 million

Iowa jobless benefits payments for October 2007 totaled \$19.6 million for 21,696 claimants. This represents a decrease of \$3.5 million from the September figure of \$16.2 million for 19,465 jobless Iowans. One year ago, payments totaled \$18.3 million for 23,485 claimants.

- 5,303 First Payments

Current National and Regional Economic Outlook

According to the November data release by the U.S. Bureau of Economic Analysis (BEA), real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 4.9 percent in the third quarter of 2007, up from 3.8 percent in the second quarter 2007. For the month of October, inflation rate is at 3.5 percent for a year-to date average of 2.6 percent.

Economic Indicators from the Federal Reserve Bank of Chicago:

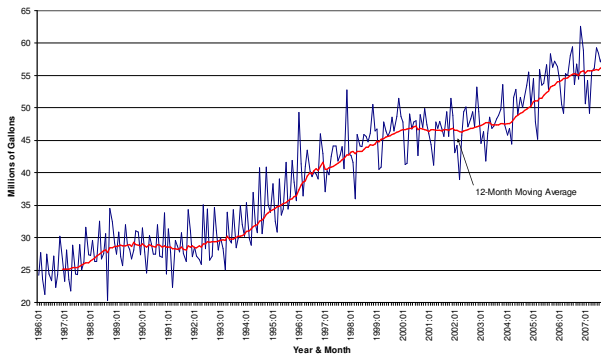
- Midwest farmland values at + 15 percent for the third quarter of 2007 relative to the third quarter of 2006. (Iowa continues to lead the district with a + 21 percent change in dollar value).
- The Midwest Manufacturing Index (CFMMI) – a monthly estimate by major industry of manufacturing output in the Seventh Federal Reserve District which includes Iowa - at - 0.6 percent in October.
- The National Activity Index (CFNAI) – a monthly index designed to better gauge overall economic activity and inflationary pressure at - 0.73 in October.
- The Michigan Retail Index – a forecast of retail sales and three month outlook at + 2.8 for sales outlook and + 5.5 for sales performance as of October 2007.

Iowa Department of Revenue

Diesel Fuel Consumption

Diesel fuel consumption during October 2007 in Iowa for transportation purposes increased by 2.677 million gallons (4.92%) compared to October 2006. Over the past 12 months diesel fuel consumption has increased by 2.59%. This month's level of diesel fuel consumption totaled 56.455 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 19.64% over the last pre-recession peak.

Monthly Diesel Fuel Consumption



Real Estate Transfer Tax

During October 2007 real estate transfer tax collections increased by 16.65% compared to October 2006. Over the past twelve months real estate transfer tax receipts have decreased by 1.47%. During September the interest rate for 30-year conventional mortgages nationally averaged 6.38%, which is the same as during September, and still 0.69% below the December 2001 peak of 7.07%

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

