



STATE OF IOWA

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

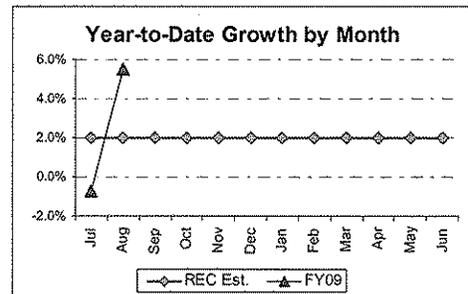
DEPARTMENT OF MANAGEMENT
CHARLES J. KROGMEIER, DIRECTOR

DATE: September 3, 2008
TO: The Honorable Chester J. Culver
The Honorable Patty Judge
FROM:  Charles J. Krogmeier, Director
Department of Management
RE: August 2008 General Fund Receipts

General Fund receipts for August totaled \$710.5 million, which is \$61.3 million or 9.4 percent more than was collected during August 2007. August 2008 had 21 processing days as compared to 23 processing days in August 2007. Fiscal year-to-date, General Fund receipts totaled \$1,117.9 million, an increase of 5.5 percent over the same period last year. The Revenue Estimating Conference official estimated rate of annual growth is 2.0 percent for Fiscal Year 2009. 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.

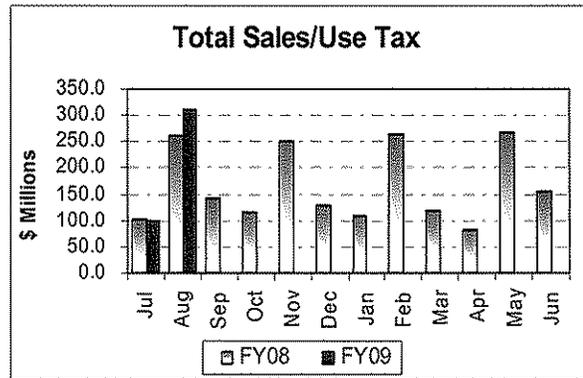
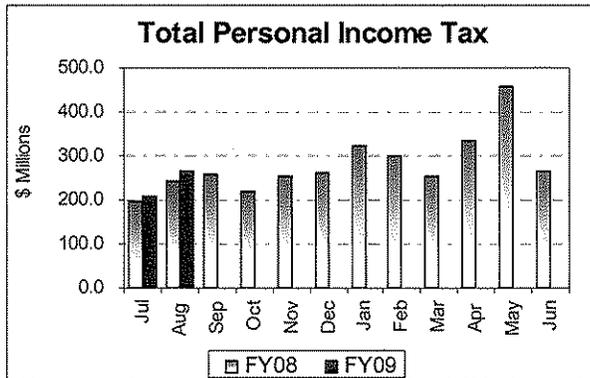
Summary

Strong personal income tax growth, coupled with the increase in sales/use tax from 5.0% to 6.0%, replacing the school infrastructure local option (SILO) tax, helped drive year-to-date growth to 5.5%. If the transfer to the school infrastructure program is included for a comparison, the year-to-date growth rate would be 2.8%. The current estimate of 2.0% does not take into account the law change for SILO and will be considered when the Revenue Estimating Conference meets again in October.



Personal Income Tax

Personal income tax receipts totaled \$263.9 million during August. This represents \$22.1 million or 9.1 percent more than the receipts of August 2007. Withholding tax receipts increased \$23.5 million or 10.0 percent compared to last year. Estimated payments increased by \$0.1 million or 2.6 percent. Final return payment decreased by \$1.5 million. Fiscal year-to-date, personal income tax receipts totaled \$473.0 million, an increase of 7.5 percent. Personal income tax receipts are estimated to grow by 4.2 percent for the year.



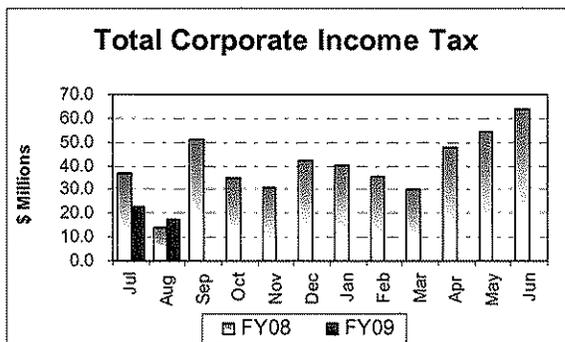
Sales/Use Tax

August sales/use tax receipts totaled \$310.0 million, which represents an increase of \$49.3 million or 18.9 percent compared to August 2007. The State sales/use tax was increased from 5.0% to 6.0% beginning July 1, 2008, with the increase replacing the School Infrastructure Local Option (SILO) sales tax. Beginning in August, sales/use gross tax receipts are no longer adjusted for SILO sales tax payments to school districts. This adjustment is now made in the same manner as refunds are made, through a standing unlimited appropriation from the General Fund. The adjustment for school infrastructure transfer was \$28.8 million in August.

The increase sales/use tax is not currently reflected in the Revenue Estimating Conference (REC) estimate. The REC estimate for FY2009 sales/use tax is for an increase of 2.7 percent. Through August, total sales/use tax has grown \$409.0 million or 12.3 percent.

Corporate Income Tax

Corporate income tax receipts during August totaled \$17.5 million, which is \$3.7 million or 26.8 percent more than in August 2007. For the fiscal year, corporate income tax receipts totaled \$40.3 million or 21.0 percent less than last year. Corporate income tax receipts are estimated to decrease at a rate of 12.3 percent.



Refunds

For the month of August, \$34.9 million in refunds were issued by the Department of Revenue on a cash basis. This compares to \$31.0 million issued August 2007. Almost all of the Refunds issued in August are for the previous fiscal year. Refunds are estimated to grow at 11.9 percent for Fiscal Year 2008 on an accrual basis and for Fiscal Year 2009 to grow at 8.2 percent on an accrual basis.

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE MONTH ENDING AUGUST 31, 2008
(\$ MILLIONS)**

CASH BASIS

	MONTH OF AUGUST		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$241.8	\$263.9	\$22.1	9.1%	4.2%
Sales/Use Tax	260.7	310.0	49.3	18.9%	2.7%
Corporate Income Tax	13.8	17.5	3.7	26.8%	-12.3%
Inheritance Tax	6.6	8.6	2.0	30.3%	-3.1%
Insurance Premium Tax	51.1	46.2	(4.9)	-9.6%	13.8%
Cigarette Tax	24.9	20.3	(4.6)	-18.5%	-1.6%
Tobacco Tax	1.7	1.4	(0.3)	-17.6%	-1.4%
Beer Tax	1.3	1.5	0.2	15.4%	0.0%
Franchise Tax	0.1	0.1	0.0	0.0%	0.5%
Miscellaneous Tax	0.0	(0.3)	(0.3)	-100.0%	0.0%
Total Special Taxes	\$602.0	\$669.2	\$67.2	11.2%	2.3%
Institutional Payments	1.5	1.3	(0.2)	-13.3%	-14.1%
Liquor Transfers:	7.1	0.0	(7.1)	-100.0%	-2.6%
Interest	0.4	2.5	2.1	525.0%	-24.9%
Fees	6.9	10.6	3.7	53.6%	-5.4%
Judicial Revenue	1.1	1.3	0.2	18.2%	0.9%
Miscellaneous Receipts	2.9	2.7	(0.2)	-6.9%	5.0%
Racing and Gaming	27.3	22.9	(4.4)	-16.1%	0.0%
Total Receipts	\$649.2	\$710.5	\$61.3	9.4%	2.0%
Transfers	\$0.7	\$0.0	(\$0.7)		
Total Rcpts & Transfers	\$649.9	\$710.5	\$60.6		
Reductions in General Fund Receipts					
School Infrastructure Transfer	\$0.0	(\$28.8)	(\$28.8)		
Refunds	(\$31.0)	(\$34.9)	(\$3.9)		
Total Reductions in GF Receipts	(\$31.0)	(\$63.7)	(\$32.7)		

Iowa Department of Management
September 3, 2008

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE TWO MONTHS ENDING AUGUST 31, 2008
(\$ MILLIONS)**

CASH BASIS

	TWO MONTHS THROUGH AUGUST		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$439.9	\$473.0	\$33.1	7.5%	4.2%
Sales/Use Tax	364.3	409.0	44.7	12.3%	2.7%
Corporate Income Tax	51.0	40.3	(10.7)	-21.0%	-12.3%
Inheritance Tax	13.6	14.8	1.2	8.8%	-3.1%
Insurance Premium Tax	52.1	48.1	(4.0)	-7.7%	13.8%
Cigarette Tax	42.6	41.7	(0.9)	-2.1%	-1.6%
Tobacco Tax	3.8	4.6	0.8	21.1%	-1.4%
Beer Tax	2.7	2.9	0.2	7.4%	0.0%
Franchise Tax	2.8	2.1	(0.7)	-25.0%	0.5%
Miscellaneous Tax	0.1	0.1	0.0	0.0%	0.0%
Total Special Taxes	\$972.9	\$1,036.6	\$63.7	6.5%	2.3%
Institutional Payments	2.3	2.4	0.1	4.3%	-14.1%
Liquor Transfers:	9.8	5.0	(4.8)	-49.0%	-2.6%
Interest	3.6	3.0	(0.6)	-16.7%	-24.9%
Fees	16.2	15.7	(0.5)	-3.1%	-5.4%
Judicial Revenue	10.2	9.9	(0.3)	-2.9%	0.9%
Miscellaneous Receipts	5.7	10.4	4.7	82.5%	5.0%
Racing and Gaming	39.0	34.9	(4.1)	-10.5%	0.0%
Total Receipts	\$1,059.7	\$1,117.9	\$58.2	5.5%	2.0%
Transfers	\$21.6	\$17.3	(\$4.3)		
Total Rcpts & Transfers	\$1,081.3	\$1,135.2	\$53.9		
Reductions in General Fund Receipts					
School Infrastructure Transfer	\$0.0	(\$28.8)	(\$28.8)		
Refunds	(52.2)	(64.9)	(12.7)		
Total Reductions in GF Receipts	(\$52.2)	(\$93.7)	(\$41.5)		

Iowa Department of Management
September 3, 2008