



STATE OF IOWA

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

DEPARTMENT OF MANAGEMENT

DATE: March 2, 2010

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

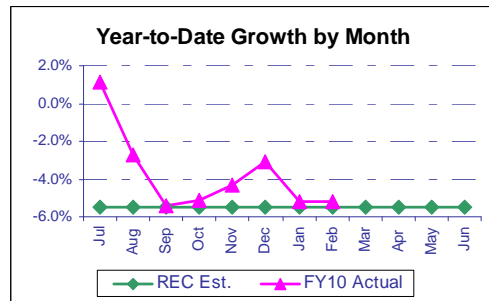
FROM: Richard Oshlo, Director
Department of Management

RE: February 2010 General Fund Receipts

Gross General Fund receipts for the month of February totaled \$621.7 million, which is \$34.3 million or 5.2 percent less than was collected during February 2009. Fiscal year-to-date gross General Fund receipts totaled \$4.283 billion, a decrease of 5.2 percent over the same period last year. The Revenue Estimating Conference's (REC) official estimated rate of annual growth for gross receipts is a negative 5.5 percent for Fiscal Year 2010. It is important to note that these figures are on a cash basis and do not include any adjustments for tax refunds, school infrastructure transfers, or accruals, which could reduce available revenue. The REC's official rate for net revenues, which includes refunds, transfers, and accrued revenue, is a negative 9.0 percent, and Governor Culver's 10-percent across-the-board reduction continues to be sufficient to ensure that the Fiscal Year 2010 budget is balanced.

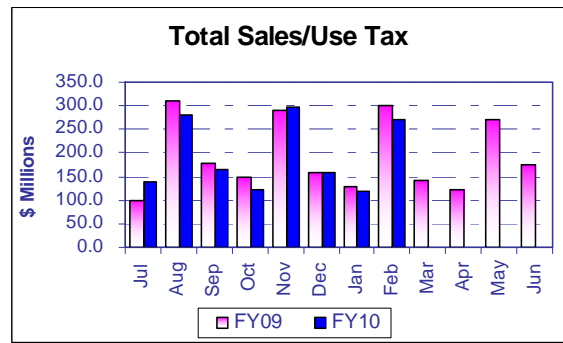
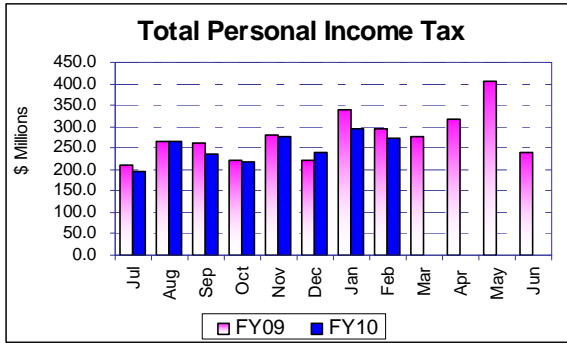
Summary

Year-to-date gross receipts are at a negative 5.2 percent through February 2010, the same as January 2010, which still compares favorably to the REC's estimate of negative 5.5%. The REC estimate will be reviewed when the REC meets on March 11, 2010.



Personal Income Tax

Personal income tax receipts totaled \$274.2 million during February. This represents \$21.2 million or 7.2 percent less than the receipts of February 2009. Withholding tax receipts decreased \$23.5 million or 8.5 percent compared to last year. Estimated payments increased by \$1.0 million. Final return payments increased \$1.3 million compared to February 2009. Fiscal year-to-date, personal income tax receipts totaled \$2.000 billion, a decrease of 4.4 percent. Personal income tax receipts are estimated to decrease by 3.6 percent for the year.

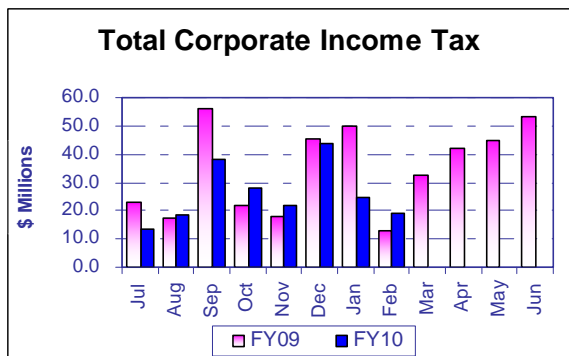


Sales/Use Tax

February sales/use tax receipts totaled \$271.4 million, which represents a decrease of \$29.6 million or 9.8 percent compared to February 2009. Sales/use tax receipts were influenced by the due date for quarterly payments being February 1 this year with January 31 falling on a weekend, moving some payments from January to February this year. A combined January/February processing of quarterly payments shows that while the number of claims processed increased 4.3 percent, the amount collected during this combined period decreased 2.7 percent. Fiscal year-to-date, sales/use tax receipts totaled \$1.556 billion, a decrease of 3.9 percent. The annual estimated rate of sales/use tax growth is negative 5.3 percent.

Corporate Income Tax

Corporate income tax receipts during February totaled \$19.3 million, which is \$6.4 million or 49.6 percent more than in February 2009. Fiscal year-to-date, corporate income tax receipts totaled \$207.8 million, a decrease of 14.7 percent. Corporate income tax receipts are estimated to decrease 18.1 percent.



Refunds

For the month of February, the Department of Revenue issued \$156.1 million in refunds on a cash basis. This compares to \$144.1 million issued February 2009. For the fiscal year-to-date, total refunds issued on a cash basis were \$426.6 million. This compares to \$397.6 million issued at this time last year. We need to keep in mind that approximately \$37 million of the \$426.6 million have already been “booked” in Fiscal Year 2009 and should not be counted toward Fiscal Year 2010.

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE MONTH ENDING FEBRUARY 28, 2010
(\$ MILLIONS)**

CASH BASIS

| | MONTH OF FEBRUARY | | FY10 Over (Under) FY09 | | FY10 Annual Est Percent Of Growth |
|--|----------------------|------------------|---------------------------|--------------|---|
| | FY09 | FY10 | Dollars | Percent | |
| Personal Income Tax | \$295.4 | \$274.2 | (\$21.2) | -7.2% | -3.6% |
| Sales/Use Tax | 301.0 | 271.4 | (29.6) | -9.8% | -5.3% |
| Corporate Income Tax | 12.9 | 19.3 | 6.4 | 49.6% | -18.1% |
| Inheritance Tax | 3.2 | 4.3 | 1.1 | 34.4% | -13.8% |
| Insurance Premium Tax | 2.0 | 2.0 | 0.0 | 0.0% | -8.9% |
| Cigarette Tax | 14.9 | 15.4 | 0.5 | 3.4% | -6.8% |
| Tobacco Tax | 1.3 | 1.6 | 0.3 | 23.1% | 6.5% |
| Beer Tax | 0.9 | 0.9 | 0.0 | 0.0% | -2.0% |
| Franchise Tax | 0.6 | 0.4 | (0.2) | -33.3% | -10.1% |
| Miscellaneous Tax | 0.0 | 0.0 | 0.0 | 0.0% | -45.8% |
| Total Special Taxes | \$632.2 | \$589.5 | (\$42.7) | -6.8% | -5.4% |
| Institutional Payments | 2.1 | 1.4 | (0.7) | -33.3% | -5.2% |
| Liquor Transfers: | 4.5 | 6.3 | 1.8 | 40.0% | -5.3% |
| Interest | 1.8 | 0.3 | (1.5) | -83.3% | -65.8% |
| Fees | 5.1 | 7.6 | 2.5 | 49.0% | -35.0% |
| Judicial Revenue | 8.4 | 9.4 | 1.0 | 11.9% | 15.4% |
| Miscellaneous Receipts | 1.9 | 7.2 | 5.3 | 278.9% | -8.8% |
| Racing and Gaming | 0.0 | 0.0 | 0.0 | 0.0% | 10.0% |
| Total Receipts | \$656.0 | \$621.7 | (\$34.3) | -5.2% | -5.5% |
| Transfers | \$0.2 | \$0.2 | \$0.0 | | |
| Total Rcpts & Transfers | \$656.2 | \$621.9 | (\$34.3) | | |
| Reductions in General Fund Receipts | | | | | |
| School Infrastructure Transfer | (\$37.0) | (\$26.0) | \$11.0 | | |
| Refunds | (144.1) | (156.1) | (12.0) | | |
| Total Reductions in GF Receipts | (\$181.1) | (\$182.1) | (\$1.0) | | |

Iowa Department of Management
March 2, 2010

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2010
(\$ MILLIONS)**

CASH BASIS

| | EIGHT MONTHS THROUGH FEBRUARY | | FY10 Over (Under) FY09 | | FY10 Annual Est Percent Of Growth |
|--|----------------------------------|------------------|---------------------------|--------------|---|
| | FY09 | FY10 | Dollars | Percent | |
| Personal Income Tax | \$2,091.7 | \$2,000.2 | (\$91.5) | -4.4% | -3.6% |
| Sales/Use Tax | 1,618.8 | 1,556.0 | (62.8) | -3.9% | -5.3% |
| Corporate Income Tax | 243.7 | 207.8 | (35.9) | -14.7% | -18.1% |
| Inheritance Tax | 52.1 | 47.9 | (4.2) | -8.1% | -13.8% |
| Insurance Premium Tax | 51.7 | 42.2 | (9.5) | -18.4% | -8.9% |
| Cigarette Tax | 148.3 | 134.5 | (13.8) | -9.3% | -6.8% |
| Tobacco Tax | 15.2 | 16.5 | 1.3 | 8.6% | 6.5% |
| Beer Tax | 10.0 | 9.8 | (0.2) | -2.0% | -2.0% |
| Franchise Tax | 18.1 | 16.4 | (1.7) | -9.4% | -10.1% |
| Miscellaneous Tax | 0.4 | (1.1) | (1.5) | -375.0% | -45.8% |
| Total Special Taxes | \$4,250.0 | \$4,030.2 | (\$219.8) | -5.2% | -5.4% |
| Institutional Payments | 10.1 | 9.1 | (1.0) | -9.9% | -5.2% |
| Liquor Transfers: | 53.1 | 54.7 | 1.6 | 3.0% | -5.3% |
| Interest | 12.9 | 1.6 | (11.3) | -87.6% | -65.8% |
| Fees | 50.5 | 30.0 | (20.5) | -40.6% | -35.0% |
| Judicial Revenue | 57.4 | 67.7 | 10.3 | 17.9% | 15.4% |
| Miscellaneous Receipts | 25.0 | 23.3 | (1.7) | -6.8% | -8.8% |
| Racing and Gaming | 60.0 | 66.0 | 6.0 | 10.0% | 10.0% |
| Total Receipts | \$4,519.0 | \$4,282.6 | (\$236.4) | -5.2% | -5.5% |
| Transfers | \$43.9 | \$121.2 | \$77.3 | | |
| Total Rcpts & Transfers | \$4,562.9 | \$4,403.8 | (\$159.1) | | |
| Reductions in General Fund Receipts | | | | | |
| School Infrastructure Transfer | (\$221.5) | (\$248.4) | (\$26.9) | | |
| Refunds | (397.6) | (426.6) | (29.0) | | |
| Total Reductions in GF Receipts | (\$619.1) | (\$675.0) | (\$55.9) | | |

Iowa Department of Management
March 2, 2010