



# STATE OF IOWA

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

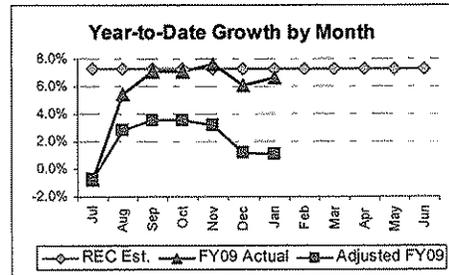
DEPARTMENT OF MANAGEMENT  
CHARLES J. KROGMEIER, DIRECTOR

DATE: February 4, 2009  
TO: The Honorable Chester J. Culver  
The Honorable Patty Judge  
FROM: Charles J. Krogmeier, Director  
Department of Management  
RE: January 2009 General Fund Receipts

General Fund receipts for January totaled \$582.2 million, which is \$36.2 million or 6.6 percent more than was collected during January 2007. January 2009 had 20 processing days as compared to 21 for January 2008. Fiscal year-to-date, General Fund receipts totaled \$3,863.0 million, an increase of 6.2 percent over the same period last year. The Revenue Estimating Conference's (REC) official estimated rate of annual growth is 7.3 percent for Fiscal Year 2009. It is important to note these figures do not include adjustments for school infrastructure transfers, tax refunds or accruals, which could reduce available revenue.

### Summary

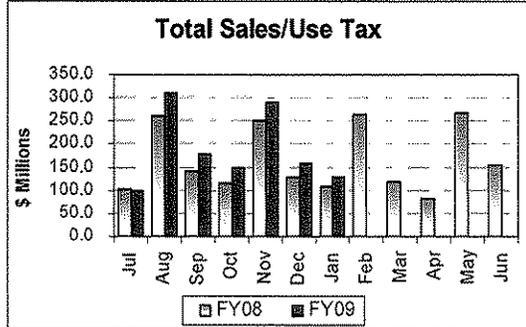
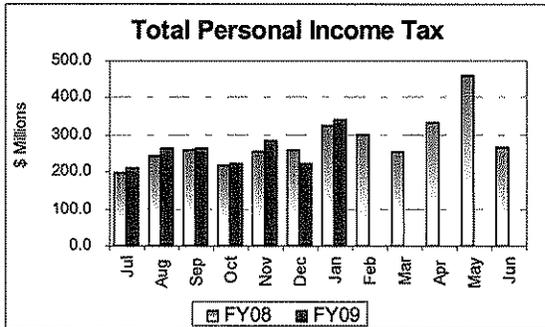
**An increase in monthly corporate income tax receipts is offset by a slowdown in receipts from the personal income tax. Year-to-date growth is 6.6% compared to the REC's estimate of 7.3%. After adjusting for changes to the school infrastructure program, the year-to-date growth rate would be 1.1% compared to the REC's implied estimate of 0.6%.**



### Personal Income Tax

Personal income tax receipts totaled \$340.3 million during January. This represents \$17.4 million or 5.4 percent more than the receipts of January 2008. Withholding tax receipts increased \$6.8 million or 3.5 percent compared to last year. Estimated payments increased by \$10.4 million; however, all of the increase can be attributed to a processing issue at the Department of Revenue. System upgrades in the paper deposit processing system in December resulted in a number of checks not being processed and deposited until January 2009. Most of the checks involved individual estimate payments and is estimated to have pushed \$16.3 million from December to January 2009. Final return payments increased by \$0.1 million. Fiscal year-to-date, personal

income tax receipts totaled \$1,796.3 million, an increase of 2.6 percent. Personal income tax receipts are estimated to grow by 2.8 percent for the year.

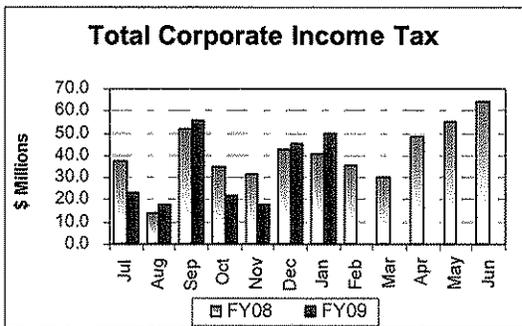


**Sales/Use Tax**

January sales/use tax receipts totaled \$130.3 million, which represents an increase of \$22.4 million or 20.5 percent compared to January 2008. 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 2008, 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 January adjustment for school infrastructure transfer was \$32.5 million. For the fiscal year, sales/use tax receipts totaled \$1,317.8 million or 17.7 percent more than last year, compared to the estimate of increase of 22.9 percent.

**Corporate Income Tax**

Corporate income tax receipts during January totaled \$49.9 million, which is \$9.2 million or 22.6 percent more than in January 2008. For the fiscal year, corporate income tax receipts totaled \$230.8 million or 8.2 percent less than last year. Corporate income tax receipts are estimated to decrease at a rate of 9.7 percent.



### Refunds

For the month of January, \$26.7 million in refunds were issued by the Department of Revenue on a cash basis. This compares to \$30.8 million issued January 2008. Year-to-date refunds issued are \$253.4 million compared to \$196.9 million for the same period last year. Refunds are estimated for Fiscal Year 2009 to grow at 8.3 percent on an accrual basis.

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE MONTH ENDING JANUARY 31, 2009  
(\$ MILLIONS)**

**CASH BASIS**

	MONTH OF JANUARY		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$322.9	\$340.3	\$17.4	5.4%	2.8%
Sales/Use Tax	109.3	130.3	21.0	19.2%	22.9%
Corporate Income Tax	40.7	49.9	9.2	22.6%	-9.7%
Inheritance Tax	9.5	6.6	(2.9)	-30.5%	2.0%
Insurance Premium Tax	0.2	0.3	0.1	100.0%	2.5%
Cigarette Tax	19.9	16.9	(3.0)	-15.1%	-2.4%
Tobacco Tax	2.1	2.1	0.0	0.0%	4.2%
Beer Tax	1.2	1.3	0.1	8.3%	-0.7%
Franchise Tax	3.3	3.0	(0.3)	-9.1%	-14.4%
Miscellaneous Tax	0.1	(0.3)	(0.4)	-400.0%	0.0%
<b>Total Special Taxes</b>	<b>\$509.2</b>	<b>\$550.4</b>	<b>\$41.2</b>	<b>8.1%</b>	<b>7.9%</b>
Institutional Payments	1.0	0.9	(0.1)	-10.0%	-10.1%
Liquor Transfers:	7.0	7.0	0.0	0.0%	3.0%
Interest	3.6	1.6	(2.0)	-55.6%	-52.6%
Fees	13.1	10.7	(2.4)	-18.3%	-12.2%
Judicial Revenue	4.9	9.0	4.1	83.7%	15.6%
Miscellaneous Receipts	7.2	2.6	(4.6)	-63.9%	5.5%
Racing and Gaming	0.0	0.0	0.0	100.0%	0.0%
<b>Total Gross Tax and Other Receipts</b>	<b>\$546.0</b>	<b>\$582.2</b>	<b>\$36.2</b>	<b>6.6%</b>	<b>7.3%</b>
Transfers	\$13.3	\$13.4	\$0.1		
<b>Total Gross Tax and Other Rcpts &amp; Transfers</b>	<b>\$559.3</b>	<b>\$595.6</b>	<b>\$36.3</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	\$0.0	(\$32.5)	(\$32.5)		
Refunds	(\$30.8)	(\$26.7)	\$4.1		
<b>Total Reductions in GF Receipts</b>	<b>(\$30.8)</b>	<b>(\$59.2)</b>	<b>(\$28.4)</b>		

Iowa Department of Management  
February 4, 2009

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE SEVEN MONTHS ENDING JANUARY 31, 2009  
(\$ MILLIONS)**

**CASH BASIS**

	SEVEN MONTHS THROUGH JANUARY		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$1,751.0	\$1,796.3	\$45.3	2.6%	2.8%
Sales/Use Tax	1,113.3	1,317.8	204.5	18.4%	22.9%
Corporate Income Tax	251.3	230.8	(20.5)	-8.2%	-9.7%
Inheritance Tax	46.5	48.9	2.4	5.2%	2.0%
Insurance Premium Tax	52.9	49.7	(3.2)	-6.0%	2.5%
Cigarette Tax	135.4	133.4	(2.0)	-1.5%	-2.4%
Tobacco Tax	12.8	13.9	1.1	8.6%	4.2%
Beer Tax	8.9	9.1	0.2	2.2%	-0.7%
Franchise Tax	19.3	17.5	(1.8)	-9.3%	-14.4%
Miscellaneous Tax	0.5	0.4	(0.1)	-20.0%	0.0%
<b>Total Special Taxes</b>	<b>\$3,391.9</b>	<b>\$3,617.8</b>	<b>\$225.9</b>	<b>6.7%</b>	<b>7.9%</b>
Institutional Payments	8.2	8.0	(0.2)	-2.4%	-10.1%
Liquor Transfers:	40.3	48.6	8.3	20.6%	3.0%
Interest	19.2	11.1	(8.1)	-42.2%	-52.6%
Fees	48.5	45.4	(3.1)	-6.4%	-12.2%
Judicial Revenue	46.8	49.0	2.2	4.7%	15.6%
Miscellaneous Receipts	23.2	23.1	(0.1)	-0.4%	5.5%
Racing and Gaming	59.7	60.0	0.3	0.5%	0.0%
<b>Total Gross Tax and Other Receipts</b>	<b>\$3,637.8</b>	<b>\$3,863.0</b>	<b>\$225.2</b>	<b>6.2%</b>	<b>7.3%</b>
Transfers	\$50.8	\$43.7	(\$7.1)		
<b>Total Gross Tax and Other Rcpts &amp; Transfers</b>	<b>\$3,688.6</b>	<b>\$3,906.7</b>	<b>\$218.1</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	\$0.0	(\$185.6)	(\$185.6)		
Refunds	(196.9)	(253.4)	(56.5)		
<b>Total Reductions in GF Receipts</b>	<b>(\$196.9)</b>	<b>(\$439.0)</b>	<b>(\$242.1)</b>		

Iowa Department of Management  
February 4, 2009