



STATE OF IOWA

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

DEPARTMENT OF MANAGEMENT

DATE: August 3, 2009

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

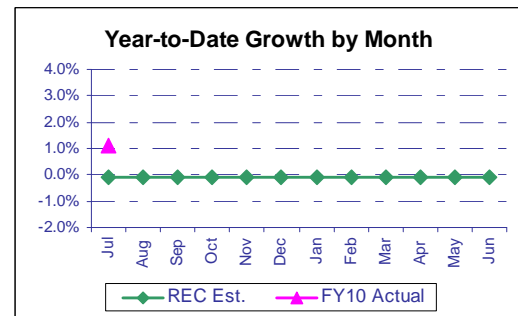
FROM: Richard Oshlo, State Budget Director
Department of Management

RE: July 2009 General Fund Receipts

General Fund receipts for July totaled \$412.1 million, which is \$4.7 million or 1.2 percent more than was collected during July 2008 and better than the Revenue Estimating Conference's (REC) official estimated rate of annual growth is -0.1 percent. 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.

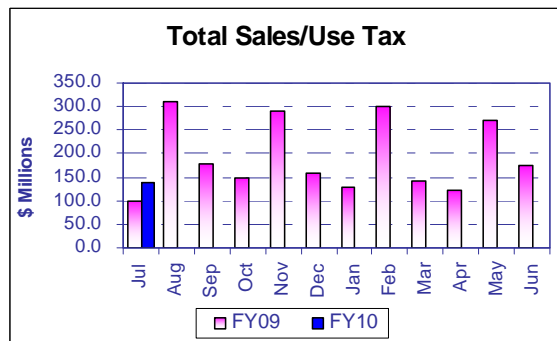
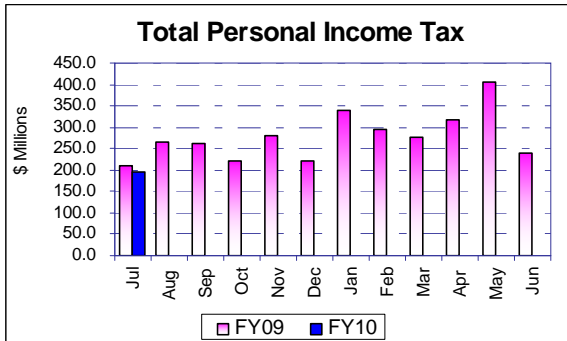
Summary

Fiscal Year 2010 started out with a growth rate of 1.2 percent with growth in sales/use tax making up for the decrease in personal and corporate income taxes. The official REC estimate is for receipts to decrease overall 0.1 percent.



Personal Income Tax

Personal income tax receipts totaled \$196.3 million during July. This represents \$12.8 million or 6.1 percent less than the receipts of July 2008. Withholding tax receipts increased \$4.2 million or 2.5 percent compared to last year. Estimated payments decreased by \$12.0 million or 35.7 percent. Final return payment decreased by \$5.0 million. Personal income tax receipts are estimated to decrease by 0.7 percent for the year.

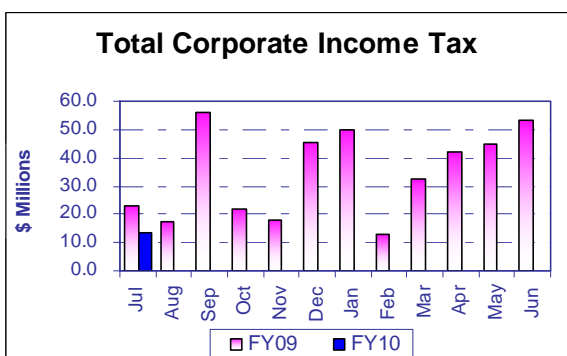


Sales/Use Tax

July sales/use tax receipts totaled \$139.5 million, which represents an increase of \$40.5 million or 40.9 percent compared to July 2008. July 2009 receipts are affected by the last monthly school infrastructure local option transfer which was done in July 2008. The July 2008 transfer is \$10 million higher than anticipated to make up for the June 2008 transfer, which was \$10 million lower than anticipated due to an error made on the June 2008 transfer. The July 2008 transfer was the last one to be made as state law changed the school infrastructure local option tax to a state 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 June adjustment for school infrastructure transfer was \$38.5 million. The annual estimated rate of sales/use tax growth is 3.0 percent.

Corporate Income Tax

Corporate income tax receipts during July totaled \$13.2 million, which is \$9.6 million or 42.1 percent less than in July 2008. Corporate income tax receipts are estimated to decrease 9.7 percent.



Refunds

For the month of July, \$19.3 million in refunds were issued by the Department of Revenue on a cash basis. This compares to \$30.0 million issued July 2008.

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

CASH BASIS

	MONTH OF JULY		FY10 Over (Under) FY09		FY10 Annual Est Percent Of Growth
	FY09	FY10	Dollars	Percent	
Personal Income Tax	\$209.1	\$196.3	(\$12.8)	-6.1%	-0.7%
Sales/Use Tax	99.0	139.5	40.5	40.9%	3.0%
Corporate Income Tax	22.8	13.2	(9.6)	-42.1%	-9.7%
Inheritance Tax	6.2	6.3	0.1	1.6%	4.0%
Insurance Premium Tax	1.9	0.9	(1.0)	-52.6%	20.7%
Cigarette Tax	21.4	18.9	(2.5)	-11.7%	-6.4%
Tobacco Tax	3.2	2.6	(0.6)	-18.8%	0.0%
Beer Tax	1.4	1.4	0.0	0.0%	0.7%
Franchise Tax	2.0	1.6	(0.4)	-20.0%	-7.4%
Miscellaneous Tax	0.4	(1.4)	(1.8)	0.0%	-58.3%
Total Special Taxes	\$367.4	\$379.3	\$11.9	3.2%	0.2%
Institutional Payments	1.1	1.4	0.3	27.3%	-11.6%
Liquor Transfers:	5.0	6.7	1.7	34.0%	-12.7%
Interest	0.5	0.0	(0.5)	-100.0%	-3.4%
Fees	5.1	3.0	(2.1)	-41.2%	-3.3%
Judicial Revenue	8.6	8.5	(0.1)	-1.2%	-1.5%
Miscellaneous Receipts	7.7	2.3	(5.4)	-70.1%	-5.0%
Racing and Gaming	12.0	10.9	(1.1)	0.0%	0.0%
Total Gross Tax and Other Receipts	\$407.4	\$412.1	\$4.7	1.2%	-0.1%
Transfers	\$17.3	\$17.7	\$0.4		
Total Gross Tax and Other Rcpts & Transfers	\$424.7	\$429.8	\$5.1		
Reductions in General Fund Receipts					
School Infrastructure Transfer	\$0.0	(\$38.5)	(\$38.5)		
Refunds	(30.0)	(19.3)	10.7		
Total Reductions in GF Receipts	(\$30.0)	(\$57.8)	(\$27.8)		

Iowa Department of Management
August 3, 2009