



STATE OF IOWA

TERRY E. BRANSTAD, GOVERNOR
KIM REYNOLDS, LT. GOVERNOR

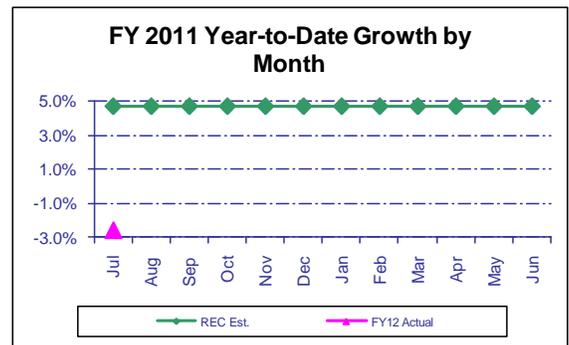
DEPARTMENT OF MANAGEMENT
David Roederer, Director

DATE: August 2, 2011
TO: The Honorable Terry E Branstad
The Honorable Kim Reynolds
FROM: David Roederer, Director
Department of Management
RE: July 2011 General Fund Receipts

Gross General Fund receipts for July 2011 totaled \$404.8 million, a decrease of 2.6 percent over the same period last year. The current estimate for FY2012 is 4.7 percent, however the estimate does not take into account revenue changes due to legislation passed and signed into law from this past session. One of the changes having the biggest impact on July 2011 revenues was the law change starting July 1, 2011, which requires the first \$106 million of the cigarette and tobacco tax for each fiscal year to be deposited into the Health Care Trust Fund instead of the General Fund. If this change had not occurred, July 2011 revenues would have been \$15.2 million higher or a total increase of 1.1 percent compared to July 2010.

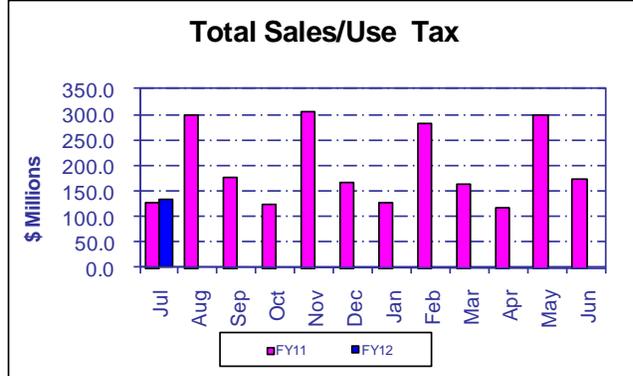
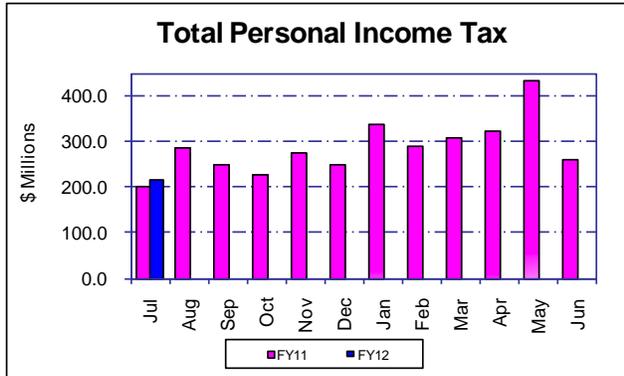
Summary

July 2011 gross receipts are 2.6 percent lower in July 2011 compared to the current estimate for FY2012 of 4.7 percent. However the current estimate does not take into account revenue changes due to legislation passed and signed into law from this past session. When adjusted for law changes as explained above, July 2011 revenues would have shown an increase of 1.1 percent compared to July 2010.



Personal Income Tax

Personal income tax receipts totaled \$216.9 million during July 2011. This is \$13.1 million or 6.4 percent more than the receipts of July 2010. Withholding tax receipts increased \$12.1 million or 6.9 percent compared to last year. Estimated payments increased \$0.5 million compared to last year. Final return payments increased \$0.5 million compared to July 2010. The current estimate for personal income tax for Fiscal Year 2012 is a 4.4 percent.

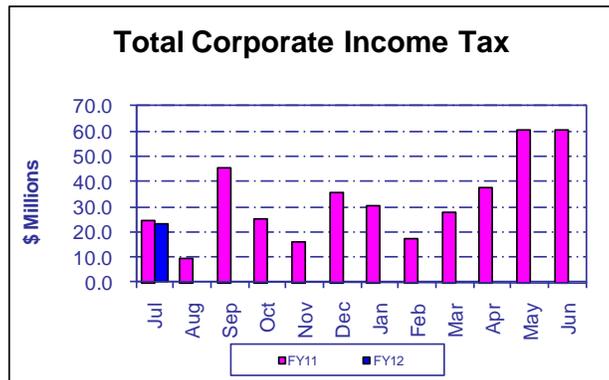


Sales/Use Tax

July sales/use tax receipts totaled \$133.0 million, which represents an increase of \$3.7 million or 2.9 percent over July 2010. The current estimate for sales/use tax for Fiscal Year 2011 is a 3.7 percent.

Corporate Income Tax

Corporate income tax receipts during July totaled \$23.0 million, which is \$1.7 million or 6.9 percent less than in July 2010. The REC's estimate for corporate income tax for Fiscal Year 2011 is 9.5 percent.



Refunds

For the month of July, the Department of Revenue issued \$47.0 million in refunds on a cash basis. This compares to \$17.8 million issued July 2010.

FY 2011 Year-to-Date Net General Fund Receipts on an Accrual Basis

As can be seen from the chart below, year-to-date net General Fund receipts have increased 4.5 percent which is better than the REC's estimate of 3.9 percent. We will update this table monthly until the State's books are closed at the end of September 2011.

Net General Fund Receipts

Accrual Basis

Through July 31, 2011

	<u>FY10</u>	<u>FY11</u>	<u>Variance</u>	<u>Percent</u>	<u>REC Estimate</u>
Total Gross Receipts	6,268.1	6,551.6	283.5	4.5%	4.0%
Transfers	129.4	71.8	(57.6)	-44.5%	-37.3%
Refunds	(820.2)	(801.3)	18.9	-2.3%	-3.9%
School Infrastructure Transfer	(375.1)	(386.3)	(11.2)	3.0%	6.9%
Net General Fund Revenues	<u>5,202.2</u>	<u>5,435.8</u>	<u>233.6</u>	4.5%	3.9%

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE ONE MONTH ENDING JULY 31, 2011
(\$ MILLIONS)**

CASH BASIS

	MONTH OF JULY		FY12 Over (Under) FY11		FY12 Annual
	FY10	FY11	Dollars	Percent	Est Percent Of Growth
Personal Income Tax	\$203.8	\$216.9	\$13.1	6.4%	4.4%
Sales/Use Tax	129.3	133.0	3.7	2.9%	3.7%
Corporate Income Tax	24.7	23.0	(1.7)	-6.9%	9.5%
Inheritance Tax	6.6	5.1	(1.5)	-22.7%	8.6%
Insurance Premium Tax	1.5	1.0	(0.5)	-33.3%	3.3%
Cigarette Tax	15.9	0.0	(15.9)	-100.0%	10.0%
Tobacco Tax	3.1	2.5	(0.6)	-19.4%	2.9%
Beer Tax	1.5	1.4	(0.1)	-6.7%	-0.7%
Franchise Tax	1.5	4.2	2.7	180.0%	10.2%
Miscellaneous Tax	0.0	0.0	0.0	0.0%	-9.1%
Total Special Taxes	\$387.9	\$387.1	(\$0.8)	-0.2%	4.4%
Institutional Payments	0.8	1.7	0.9	112.5%	49.0%
Liquor Transfers:	7.6	2.5	(5.1)	-67.1%	-4.4%
Interest	0.2	0.2	0.0	100.0%	-33.3%
Fees	2.3	1.8	(0.5)	-21.7%	121.9%
Judicial Revenue	10.5	9.5	(1.0)	-9.5%	10.2%
Miscellaneous Receipts	6.1	2.0	(4.1)	-67.2%	-30.2%
Racing and Gaming	0.0	0.0	0.0	0.0%	0.0%
Total Gross Tax and Other Receipts	\$415.4	\$404.8	(\$10.6)	-2.6%	4.7%
Transfers	\$14.3	\$20.3	\$6.0		
Total Gross Tax and Other Rcpts & Transfers	\$429.7	\$425.1	(\$4.6)		
Reductions in General Fund Receipts					
School Infrastructure Transfer	(\$45.5)	(\$52.0)	(\$6.5)		
Refunds	(17.8)	(47.0)	(29.2)		
Total Reductions in GF Receipts	(\$63.3)	(\$99.0)	(\$35.7)		

Iowa Department of Management
August 2, 2011