



STATE OF IOWA

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

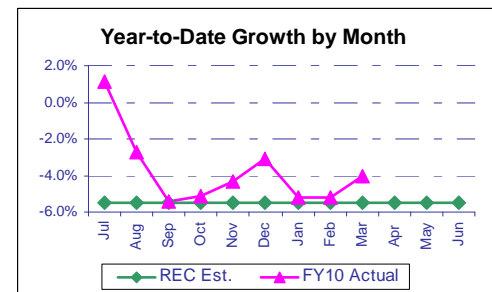
DEPARTMENT OF MANAGEMENT
Richard Oshlo, Jr., Director

DATE: April 2, 2010
TO: The Honorable Chester J. Culver
The Honorable Patty Judge
FROM: Richard Oshlo, Director
Department of Management
RE: March 2010 General Fund Receipts

Gross General Fund receipts for the month of March totaled \$546.2 million, which is \$35.0 million or 6.8 percent more than was collected during March 2009. Fiscal year-to-date gross General Fund receipts totaled \$4.829 billion, a decrease of 4.0 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 5.7 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 the Governor's 10-percent across-the-board reduction continues to be sufficient to ensure that the Fiscal Year 2010 budget is balanced.

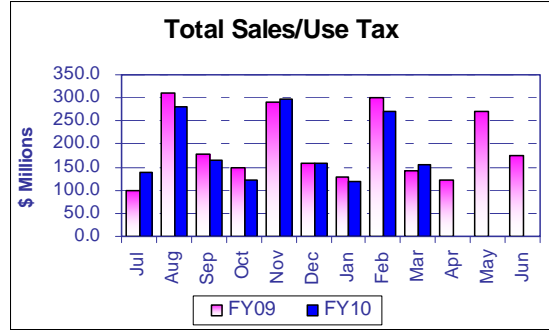
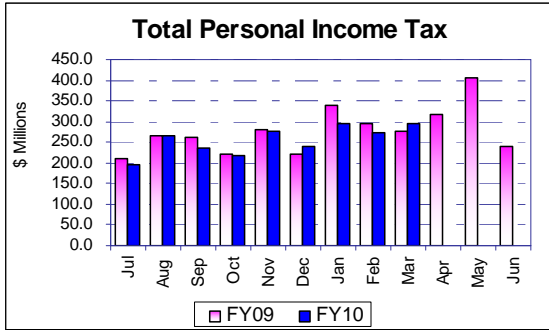
Summary

Year-to-date gross receipts are at a negative 4.0 percent through March 2010, which still compares favorably to the REC's estimate of negative 5.7%. As is shown in a new section dealing with accrual revenues, net General Fund receipts on an accrual basis are negative 7.4 percent through March 2010, which compares favorably to the REC's estimate of overall net General Fund receipts on an accrual basis of negative 9.0 percent.



Personal Income Tax

Personal income tax receipts totaled \$294.5 million during March. This represents \$19.4 million or 7.1 percent more than the receipts of March 2009. Withholding tax receipts increased \$24.4 million or 12.3 percent compared to last year. Estimated payments decreased by \$0.3 million. Final return payments decreased \$4.7 million compared to March 2009. Fiscal year-to-date, personal income tax receipts totaled \$2.295 billion, a decrease of 3.0 percent. Personal income tax receipts are estimated to decrease by 5.8 percent for the year.

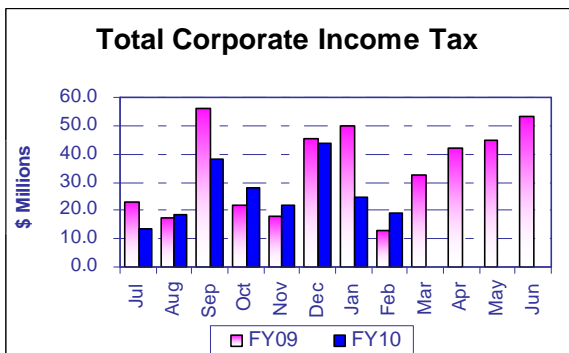


Sales/Use Tax

March sales/use tax receipts totaled \$156.2 million, which represents an increase of \$13.4 million or 9.4 percent compared to March 2009. Fiscal year-to-date, sales/use tax receipts totaled \$1.712 billion, a decrease of 2.8 percent. The annual estimated rate of sales/use tax growth is negative 3.8 percent.

Corporate Income Tax

Corporate income tax receipts during March totaled \$40.4 million, which is \$7.9 million or 24.3 percent more than in March 2009. Fiscal year-to-date, corporate income tax receipts totaled \$248.2 million, a decrease of 10.1 percent. Corporate income tax receipts are estimated to decrease 12.8 percent.



Refunds

For the month of March, the Department of Revenue issued \$142.6 million in refunds on a cash basis. This compares to \$158.0 million issued March 2009. For the fiscal year-to-date, total refunds issued on a cash basis were \$569.2 million. This compares to \$555.5 million issued at this time last year. We need to keep in mind that approximately \$37 million of the \$569.2 million of refunds reported so far in Fiscal Year 2010 on a cash basis have already been “booked” in Fiscal Year 2009 and should not be counted toward Fiscal Year 2010 on an accrual basis.

FY 2010 Year-to-Date Net General Fund Receipts on an Accrual Basis

Now that nine months of the fiscal year has been completed, a comparison of accrual basis net General Fund receipts to the REC estimate can start to be analyzed. As can be seen from the chart below, year-to-date net General Fund receipts have declined 7.4 percent, compared to the REC estimate of negative 9.0 percent. This table will be updated monthly until the State's books are closed at the end of September 2010.

Net General Fund Receipts

Accrual Basis

Through March 31, 2010

	<u>FY09</u>	<u>FY10</u>	<u>Variance</u>	<u>Percent</u>	<u>REC Estimate</u>
Total Gross Receipts	4,608.4	4,390.6	(217.8)	-4.7%	-5.7%
Transfers	75.6	30.3	(45.3)	-59.9%	-17.0%
Refunds	(490.3)	(532.3)	(42.0)	8.6%	12.1%
School Infrastructure Transfer	(251.5)	(239.3)	12.2	-4.9%	-5.6%
Net General Fund Revenues	<u>3,942.2</u>	<u>3,649.3</u>	<u>(292.9)</u>	-7.4%	-9.0%

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE MONTH ENDING MARCH 31, 2010
(\$ MILLIONS)**

CASH BASIS

	MONTH OF MARCH		FY10 Over (Under) FY09		FY10 Annual Est Percent Of Growth
	FY09	FY10	Dollars	Percent	
Personal Income Tax	\$275.1	\$294.5	\$19.4	7.1%	-5.8%
Sales/Use Tax	142.8	156.2	13.4	9.4%	-3.8%
Corporate Income Tax	32.5	40.4	7.9	24.3%	-12.8%
Inheritance Tax	5.1	3.9	(1.2)	-23.5%	-9.5%
Insurance Premium Tax	6.0	5.4	(0.6)	0.0%	-6.7%
Cigarette Tax	14.8	16.5	1.7	11.5%	-6.4%
Tobacco Tax	2.0	2.4	0.4	20.0%	-7.4%
Beer Tax	0.9	1.0	0.1	11.1%	-2.0%
Franchise Tax	1.9	2.2	0.3	15.8%	-10.7%
Miscellaneous Tax	0.1	0.1	0.0	0.0%	-45.8%
Total Special Taxes	\$481.2	\$522.6	\$41.4	8.6%	-5.6%
Institutional Payments	1.5	2.3	0.8	53.3%	0.0%
Liquor Transfers:	5.5	6.6	1.1	20.0%	0.0%
Interest	0.9	0.3	(0.6)	-66.7%	-80.8%
Fees	9.7	4.8	(4.9)	-50.5%	-48.0%
Judicial Revenue	9.9	7.4	(2.5)	-25.3%	15.4%
Miscellaneous Receipts	2.5	2.2	(0.3)	-12.0%	-4.5%
Racing and Gaming	0.0	0.0	0.0	0.0%	10.0%
Total Receipts	\$511.2	\$546.2	\$35.0	6.8%	-5.7%
Transfers	\$48.0	\$0.1	(\$47.9)		
Total Rcpts & Transfers	\$559.2	\$546.3	(\$12.9)		
Reductions in General Fund Receipts					
School Infrastructure Transfer	(\$30.0)	(\$26.1)	\$3.9		
Refunds	(158.0)	(142.6)	15.4		
Total Reductions in GF Receipts	(\$188.0)	(\$168.7)	\$19.3		

Iowa Department of Management
April 2, 2010

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE NINE MONTHS ENDING MARCH 31, 2010
(\$ MILLIONS)**

CASH BASIS

	NINE MONTHS THROUGH MARCH		FY10 Over (Under) FY09		FY10 Annual Est Percent Of Growth
	FY09	FY10	Dollars	Percent	
Personal Income Tax	\$2,366.8	\$2,294.7	(\$72.1)	-3.0%	-5.8%
Sales/Use Tax	1,761.6	1,712.2	(49.4)	-2.8%	-3.8%
Corporate Income Tax	276.2	248.2	(28.0)	-10.1%	-12.8%
Inheritance Tax	57.2	51.8	(5.4)	-9.4%	-9.5%
Insurance Premium Tax	57.7	47.6	(10.1)	-17.5%	-6.7%
Cigarette Tax	163.1	151.0	(12.1)	-7.4%	-6.4%
Tobacco Tax	17.2	18.9	1.7	9.9%	-7.4%
Beer Tax	10.9	10.8	(0.1)	-0.9%	-2.0%
Franchise Tax	20.0	18.6	(1.4)	-7.0%	-10.7%
Miscellaneous Tax	0.5	(1.0)	(1.5)	-300.0%	-45.8%
Total Special Taxes	\$4,731.2	\$4,552.8	(\$178.4)	-3.8%	-5.6%
Institutional Payments	11.6	11.4	(0.2)	-1.7%	0.0%
Liquor Transfers:	58.6	61.3	2.7	4.6%	0.0%
Interest	13.8	1.9	(11.9)	-86.2%	-80.8%
Fees	60.2	34.8	(25.4)	-42.2%	-48.0%
Judicial Revenue	67.3	75.1	7.8	11.6%	15.4%
Miscellaneous Receipts	27.5	25.5	(2.0)	-7.3%	-4.5%
Racing and Gaming	60.0	66.0	6.0	10.0%	10.0%
Total Receipts	\$5,030.2	\$4,828.8	(\$201.4)	-4.0%	-5.7%
Transfers	\$91.9	\$121.3	\$29.4		
Total Rcpts & Transfers	\$5,122.1	\$4,950.1	(\$172.0)		
Reductions in General Fund Receipts					
School Infrastructure Transfer	(\$251.5)	(\$274.5)	(\$23.0)		
Refunds	(555.5)	(569.2)	(13.7)		
Total Reductions in GF Receipts	(\$807.0)	(\$843.7)	(\$36.7)		

Iowa Department of Management
April 2, 2010