



# STATE OF IOWA

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

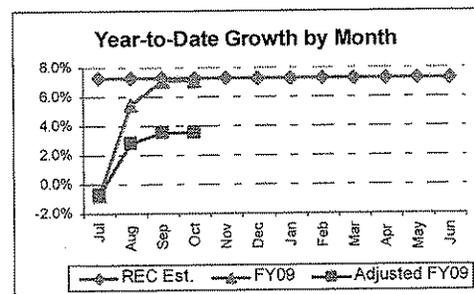
DEPARTMENT OF MANAGEMENT  
CHARLES J. KROGMEIER, DIRECTOR

DATE: November 5, 2008  
TO: The Honorable Chester J. Culver  
The Honorable Patty Judge  
FROM: Charles J. Krogmeier, Director  
Department of Management  
RE: October 2008 General Fund Receipts

General Fund receipts for October totaled \$457.8 million, which is \$29.8 million or 7.0 percent more than was collected during October 2007. Fiscal year-to-date, General Fund receipts totaled \$2,153.8 million, an increase of 7.1 percent over the same period last year. The Revenue Estimating Conference official estimated rate of annual growth is 7.3 percent for Fiscal Year 2009. 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.

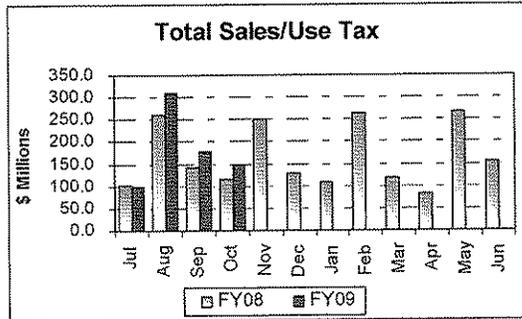
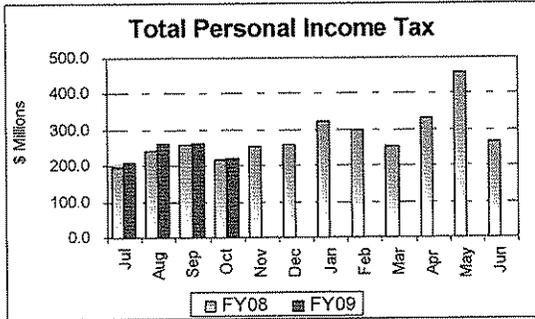
### Summary

Growth due to the increase in sales/use tax from 5.0% to 6.0%, replacing the school infrastructure local option (SILO) tax, is offset by a slowdown in growth in personal income tax and the slowdown in corporate income tax. Year-to-date growth continues at 7.1% compared to the estimate of 7.3%. If the transfer to the school infrastructure program is included for a comparison, the year-to-date growth rate would be 3.5%.



### Personal Income Tax

Personal income tax receipts totaled \$220.6 million during October. This represents \$1.9 million or 0.9 percent more than the receipts of October 2007. Withholding tax receipts increased \$1.8 million or 1.1 percent compared to last year. Estimated payments decreased by \$4.3 million or 11.1 percent. Final return payment increased by \$4.4 million. Fiscal year-to-date, personal income tax receipts totaled \$954.0 million, an increase of 4.1 percent. Personal income tax receipts are estimated to grow by 2.8 percent for the year.

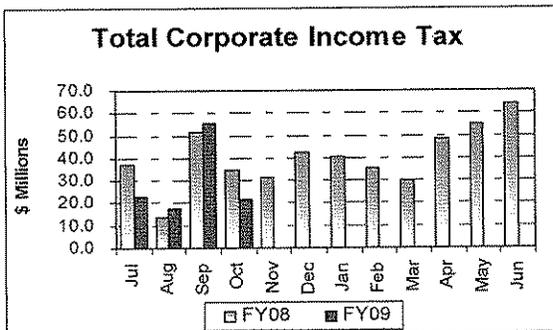


### Sales/Use Tax

October sales/use tax receipts totaled \$150.1 million, which represents an increase of \$34.0 million or 29.3 percent compared to October 2007. 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 October adjustment for school infrastructure transfer was \$28.8 million in October. For the fiscal year, sales/use tax receipts totaled \$738.7 million or 18.4 percent more than last year, compared to the estimate of increase of 22.9 percent.

### Corporate Income Tax

Corporate income tax receipts during October totaled \$21.8 million, which is \$13.0 million or 37.4 percent less than in October 2007. For the fiscal year, corporate income tax receipts totaled \$118.0 million or 14.1 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 October, \$43.5 million in refunds were issued by the Department of Revenue on a cash basis. This compares to \$26.9 million issued October 2007. Year-to-date refunds issued are \$138.3 million compared to \$103.6 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 OCTOBER 31, 2008  
(\$ MILLIONS)**

**CASH BASIS**

	MONTH OF OCTOBER		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$218.7	\$220.6	\$1.9	0.9%	2.8%
Sales/Use Tax	116.1	150.1	34.0	29.3%	22.9%
Corporate Income Tax	34.8	21.8	(13.0)	-37.4%	-9.7%
Inheritance Tax	5.3	9.0	3.7	69.8%	2.0%
Insurance Premium Tax	0.0	0.1	0.1	100.0%	2.5%
Cigarette Tax	21.3	21.0	(0.3)	-1.4%	-2.4%
Tobacco Tax	1.3	2.6	1.3	100.0%	4.2%
Beer Tax	1.1	1.1	0.0	0.0%	-0.7%
Franchise Tax	3.5	3.7	0.2	5.7%	-14.4%
Miscellaneous Tax	0.1	(0.4)	(0.5)	-500.0%	0.0%
<b>Total Special Taxes</b>	<b>\$402.2</b>	<b>\$429.6</b>	<b>\$27.4</b>	<b>6.8%</b>	<b>7.9%</b>
Institutional Payments	1.1	1.1	0.0	0.0%	-10.1%
Liquor Transfers:	6.6	6.6	0.0	0.0%	3.0%
Interest	3.0	1.6	(1.4)	-46.7%	-52.6%
Fees	4.0	4.4	0.4	10.0%	-12.2%
Judicial Revenue	8.8	9.9	1.1	12.5%	15.6%
Miscellaneous Receipts	2.3	2.4	0.1	4.3%	5.5%
Racing and Gaming	0.0	2.2	2.2	100.0%	0.0%
<b>Total Receipts</b>	<b>\$428.0</b>	<b>\$457.8</b>	<b>\$29.8</b>	<b>7.0%</b>	<b>7.3%</b>
Transfers	\$15.4	\$13.1	(\$2.3)		
<b>Total Rcpts &amp; Transfers</b>	<b>\$443.4</b>	<b>\$470.9</b>	<b>\$27.5</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	\$0.0	(\$28.8)	(\$28.8)		
Refunds	(\$26.9)	(\$43.5)	(\$16.6)		
<b>Total Reductions in GF Receipts</b>	<b>(\$26.9)</b>	<b>(\$72.3)</b>	<b>(\$45.4)</b>		

Iowa Department of Management  
November 5, 2008

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2008  
(\$ MILLIONS)**

**CASH BASIS**

	FOUR MONTHS THROUGH OCTOBER		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$916.3	\$954.0	\$37.7	4.1%	2.8%
Sales/Use Tax	623.9	738.7	114.8	18.4%	22.9%
Corporate Income Tax	137.3	118.0	(19.3)	-14.1%	-9.7%
Inheritance Tax	23.5	30.7	7.2	30.6%	2.0%
Insurance Premium Tax	52.5	48.2	(4.3)	-8.2%	2.5%
Cigarette Tax	79.3	81.4	2.1	2.6%	-2.4%
Tobacco Tax	7.0	8.8	1.8	25.7%	4.2%
Beer Tax	5.3	5.5	0.2	3.8%	-0.7%
Franchise Tax	10.9	9.9	(1.0)	-9.2%	-14.4%
Miscellaneous Tax	0.2	0.2	0.0	0.0%	0.0%
<b>Total Special Taxes</b>	<b>\$1,856.2</b>	<b>\$1,995.4</b>	<b>\$139.2</b>	<b>7.5%</b>	<b>7.9%</b>
Institutional Payments	4.7	5.0	0.3	6.4%	-10.1%
Liquor Transfers:	20.4	21.9	1.5	7.4%	3.0%
Interest	8.2	5.8	(2.4)	-29.3%	-52.6%
Fees	25.0	23.8	(1.2)	-4.8%	-12.2%
Judicial Revenue	25.3	26.5	1.2	4.7%	15.6%
Miscellaneous Receipts	11.2	15.3	4.1	36.6%	5.5%
Racing and Gaming	60.0	60.1	0.1	0.2%	0.0%
<b>Total Receipts</b>	<b>\$2,011.0</b>	<b>\$2,153.8</b>	<b>\$142.8</b>	<b>7.1%</b>	<b>7.3%</b>
Transfers	\$37.0	\$29.8	(\$7.2)		
<b>Total Rcpts &amp; Transfers</b>	<b>\$2,048.0</b>	<b>\$2,183.6</b>	<b>\$135.6</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	\$0.0	(\$86.5)	(\$86.5)		
Refunds	(103.6)	(138.3)	(34.7)		
<b>Total Reductions in GF Receipts</b>	<b>(\$103.6)</b>	<b>(\$224.8)</b>	<b>(\$121.2)</b>		

Iowa Department of Management  
November 5, 2008