



STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF MANAGEMENT
MICHAEL TRAMONTINA, DIRECTOR

DATE: August 2, 2006

TO: The Honorable Thomas J. Vilsack
The Honorable Sally J. Pederson

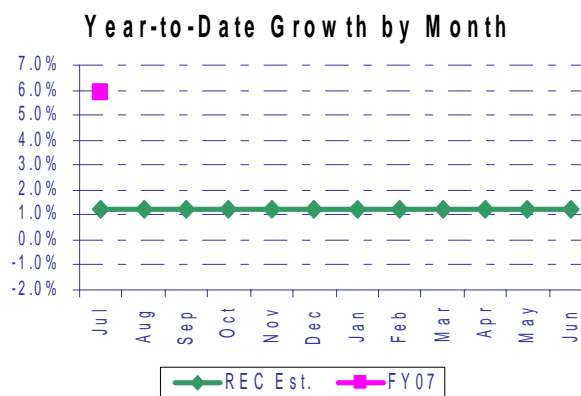
FROM: Michael Tramontina, Director
Department of Management

RE: July 2006 General Fund Receipts

General fund receipts for July totaled \$353.7 million, which is \$19.6 million or 5.9 percent more than was collected during July 2005. July 2006 had 20 processing days as did July 2005. The official estimated rate of annual growth is 1.2 percent.

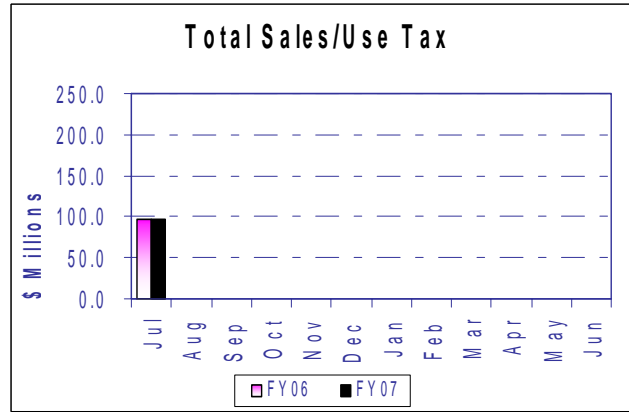
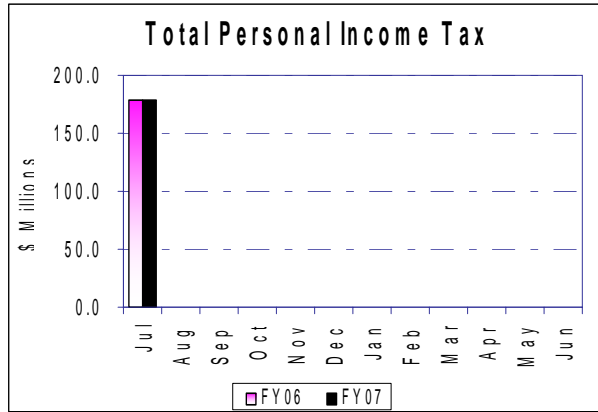
Summary

Fiscal Year 2007 has started out with a very strong growth rate at 5.9 percent. This was largely due to very strong Corporate income tax receipts. The official estimate rate of growth is 1.2 percent.



Personal Income Tax

Personal income tax receipts totaled \$179.1 million during July. This represents \$1.1 million or 0.6 percent more than the receipts of July 2005. Withholding tax receipts increased \$3.9 million or 2.5 percent compared to last year. Estimated payments increased by \$6.6 million. Final return payments decreased by \$4.0 million. Personal income tax receipts were estimated to grow by 2.2 percent for the year.

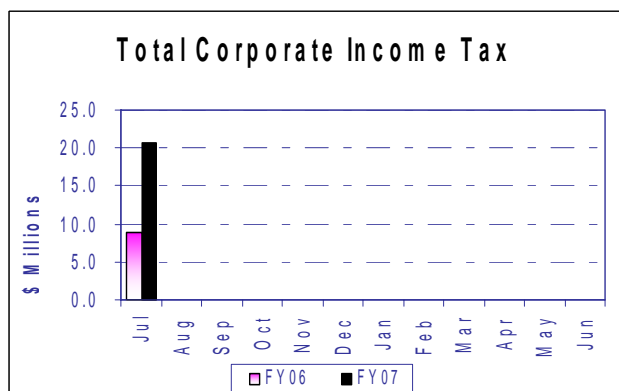


Sales/Use Tax

July sales/use tax receipts totaled \$96.9 million, which is a decrease of \$0.3 million or -0.3 percent compared to July 2005. The annual estimated rate of sales/use tax growth was 3.5 percent.

Corporate Income Tax

Corporate income tax receipts during July totaled \$20.6 million, which is \$11.8 million or 134.1 percent more than in July 2005. Corporate income tax receipts were estimated to increase at a rate of -8.2 percent.



**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE ONE MONTH ENDING JULY 31, 2006
(\$ MILLIONS)**

CASH BASIS

| | ONE MONTH THROUGH JULY | | FY07 Over (Under) FY06 | | FY07 Annual Est Percent Of Growth |
|------------------------------------|---------------------------|----------------|---------------------------|-------------|---|
| | FY06 | FY07 | Dollars | Percent | |
| Personal Income Tax | \$178.0 | \$179.1 | \$1.1 | 0.6% | 2.2% |
| Sales/Use Tax | 97.2 | 96.9 | (0.3) | -0.3% | 3.5% |
| Corporate Income Tax | 8.8 | 20.6 | 11.8 | 134.1% | -8.2% |
| Inheritance Tax | 6.0 | 5.9 | (0.1) | -1.7% | -4.8% |
| Insurance Premium Tax | 1.2 | 1.5 | 0.3 | 25.0% | 4.0% |
| Cigarette Tax | 7.1 | 6.7 | (0.4) | -5.6% | 0.6% |
| Tobacco Tax | 0.7 | 1.0 | 0.3 | 42.9% | -1.1% |
| Beer Tax | 1.4 | 1.5 | 0.1 | 7.1% | 2.8% |
| Franchise Tax | 2.4 | 2.3 | (0.1) | -4.2% | -7.6% |
| Miscellaneous Tax | 2.0 | 1.3 | (0.7) | -35.0% | 20.0% |
| Total Special Taxes | \$304.8 | \$316.8 | \$12.0 | 3.9% | 1.8% |
| Institutional Payments | 0.6 | 1.0 | 0.4 | 66.7% | -0.8% |
| Liquor Transfers: | 2.0 | 2.8 | 0.8 | 40.0% | -3.0% |
| Interest | 1.2 | 2.8 | 1.6 | 133.3% | -23.3% |
| Fees | 3.4 | 8.5 | 5.1 | 150.0% | -8.1% |
| Judicial Revenue | 6.6 | 8.0 | 1.4 | 21.2% | -1.9% |
| Miscellaneous Receipts | 4.4 | 2.3 | (2.1) | -47.7% | -30.1% |
| Racing and Gaming | 11.1 | 11.5 | 0.4 | 3.6% | 0.0% |
| Total Receipts | \$334.1 | \$353.7 | \$19.6 | 5.9% | 1.2% |
| Transfers | \$14.5 | \$13.9 | (\$0.6) | | |
| Total Rcpts & Transfers | \$348.6 | \$367.6 | \$19.0 | | |

Iowa Department of Management
August 2, 2006

Iowa Economic Snapshot July 2006

Iowa Workforce Development

Iowa's Unemployment Rate 3.6%

The statewide labor force decreased to 1,676,600 in June, from 1,678,500 in May. The decrease can be attributed to methodological issues impacting the model in the Bureau of Labor Statistics (BLS) Household survey. The high energy prices continue to impact the labor market. The state's seasonally adjusted unemployment rate increased to 3.6% from a May rate of 3.4%. The jobless rate stood at 4.6% one year ago. Despite these figures, most indicators point to growing and stable Iowa economy.

Iowa's Nonfarm Employment 1,508,400

The state economy continued to show signs of strength exhibiting measured growth in June. The total number of working Iowans however decreased to 1,615,700, falling 6,500 short of the record level of 1,622,228 in May. One year ago, the number was 1,583,600.

Iowa's nonfarm employment (i.e., total private non-farm excluding government) totaled 1,508,400 in June. This number is 3,200 more in May 2006 and 28,100 more than in June 2005. The June totals represent a new all-time high for nonfarm employment in the state. Professional and business services posted the largest gain followed by manufacturing.

- 33.7 Average Weekly Hours
- \$14.62 Average Hourly Earnings

Iowa's Manufacturing Employment 235,100

In June 2006, manufacturing employment stood at 235,100, up 0.3% from a revised May figure of 234,400. Workers in manufacturing earned \$673.99 a week in June 2006.

- Working 41.4 Average Weekly Hours
- \$16.28 Average Hourly Earnings

Iowa's Unemployment Benefit Payments \$22.9 million

Iowa jobless benefits payments for June 2006 totaled \$22.9 million for 25,462 claimants. This represents an increase of \$2.9 million from the May value of \$20.0 million for 26,127 jobless Iowans. The Memorial Day holiday resulted in five processing Wednesdays in June and accounted for all the gain. One year ago, payments totaled \$21.3 million for 24,061 claimants.

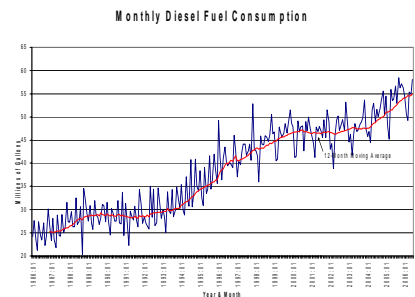
- 5,949 First Payments

Iowa Department of Revenue

Diesel Fuel Consumption

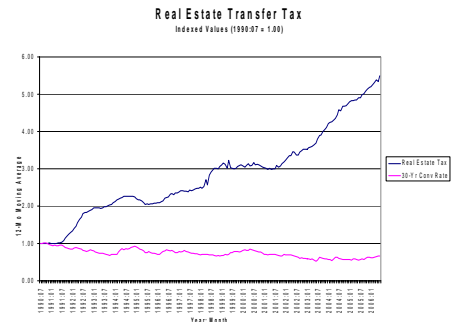
Diesel fuel consumption during June 2006 in Iowa for transportation purposes increased by 4.286 million gallons (7.97%) compared to the same month last year. Although the year-over-year growth in diesel fuel consumption during June was higher than the previous two months, the trend over the past year is still downward. This month's level of diesel fuel consumption totaled 55.023 million gallons on a 12-

month moving average basis. Prior to the 2001 recession, diesel fuel consumption peaked at 47.189 million gallons.



Real Estate Transfer Tax

During June 2006 real estate transfer tax collections increased by 31.83% compared to June 2005. The increase during June followed a 9.39% decrease during May. During June the interest rate for 30-year conventional mortgages nationally averaged 6.68%, which was up 0.08% from May, but still 0.39% below the December 2001 peak of 7.07%. One year ago the interest rate for 30-year conventional mortgages equaled 5.58%.





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