



# STATE OF IOWA

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

DEPARTMENT OF MANAGEMENT  
MICHAEL TRAMONTINA, DIRECTOR

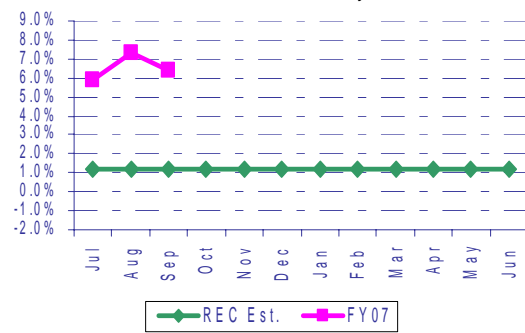
DATE: October 3, 2006  
TO: The Honorable Thomas J. Vilsack  
The Honorable Sally J. Pederson  
FROM: Joel R. Lunde, Acting State Budget Director  
Department of Management  
RE: September 2006 General Fund Receipts

General fund receipts for September totaled \$482.9 million, which is \$21.9 million or 4.8 percent more than was collected during September 2005. September 2006 had 20 processing days as compared to 21 processing days in September 2005. Fiscal year-to-date, general fund receipts totaled \$1,456.7 million, an increase of 6.4 percent over receipts for the same period last year. The official estimated rate of annual growth is 1.2 percent.

### Summary

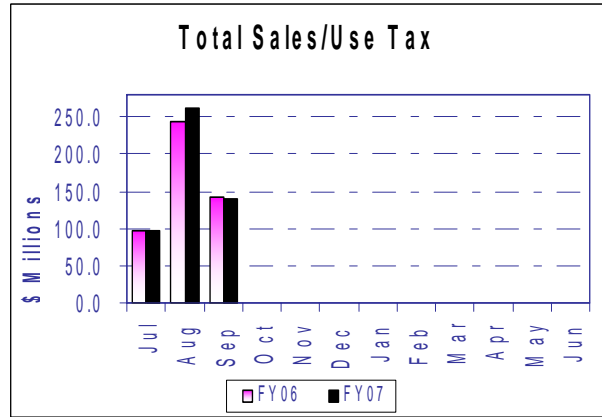
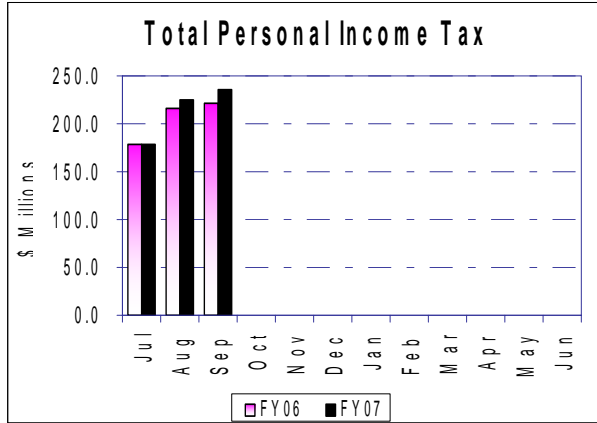
**Strong growth in both corporate income and personal income tax, helped year-to-date growth post a 6.4% rate. The official estimate rate of growth is currently at 1.2 percent. The official estimate will be re-evaluated during the October 16<sup>th</sup> meeting of the Revenue Estimating Conference.**

Year-to-Date Growth by Month



### Personal Income Tax

Personal income tax receipts totaled \$236.0 million during September. This represents \$13.8 million or 6.2 percent more than the receipts of September 2005. Withholding tax receipts increased \$16.4 million or 9.90 percent compared to last year. Estimated payments increased by \$1.3 million. Final return payments decreased by \$4.0 million. Fiscal year-to-date, personal income tax receipts totaled \$640.2 million, an increase of 3.8 percent. Personal income tax receipts were estimated to grow by 2.2 percent for the year.

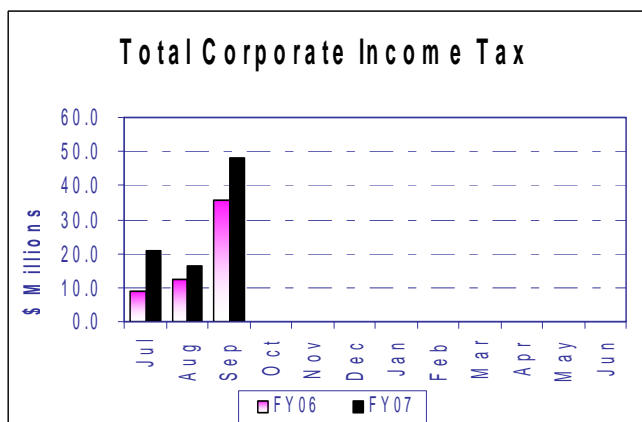


Sales/Use Tax

September sales/use tax receipts totaled \$139.9 million, which is a decrease of \$2.4 million or -1.7 percent compared to September 2005. For the fiscal year, sales/use tax receipts are \$498.1 million, representing an increase of 2.8%. The annual estimated rate of sales/use tax growth was 3.5 percent.

Corporate Income Tax

Corporate income tax receipts during September totaled \$48.2 million, which is \$12.7 million or 35.8 percent more than in September 2005. For the fiscal year, corporate income tax receipts totaled \$85.4 million or 50.6% more than last year. Corporate income tax receipts were estimated to increase at a rate of negative 8.2 percent.



**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE MONTH ENDING SEPTEMBER 30, 2006  
(\$ MILLIONS)**

**CASH BASIS**

	MONTH OF SEPTEMBER		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$222.2	\$236.0	\$13.8	6.2%	2.2%
Sales/Use Tax	142.3	139.9	(2.4)	-1.7%	3.5%
Corporate Income Tax	35.5	48.2	12.7	35.8%	-8.2%
Inheritance Tax	7.5	6.8	(0.7)	-9.3%	-4.8%
Insurance Premium Tax	0.1	2.1	2.0	N/A	4.0%
Cigarette Tax	8.7	6.3	(2.4)	-27.6%	0.6%
Tobacco Tax	0.9	0.7	(0.2)	-22.2%	-1.1%
Beer Tax	1.4	1.4	0.0	0.0%	2.8%
Franchise Tax	5.3	4.1	(1.2)	-22.6%	-7.6%
Miscellaneous Tax	(0.5)	0.0	0.5	-100.0%	20.0%
<b>Total Special Taxes</b>	<b>\$423.4</b>	<b>\$445.5</b>	<b>\$22.1</b>	<b>5.2%</b>	<b>1.8%</b>
Institutional Payments	1.2	1.5	0.3	25.0%	-0.8%
Liquor Transfers:	3.8	3.8	0.0	0.0%	-3.0%
Interest	1.1	2.3	1.2	109.1%	-23.3%
Fees	4.9	5.0	0.1	2.0%	-8.1%
Judicial Revenue	2.6	2.6	0.0	0.0%	-1.9%
Miscellaneous Receipts	2.7	1.3	(1.4)	-51.9%	-30.1%
Racing and Gaming	21.3	20.9	(0.4)	-1.9%	0.0%
<b>Total Receipts</b>	<b>\$461.0</b>	<b>\$482.9</b>	<b>\$21.9</b>	<b>4.8%</b>	<b>1.2%</b>
Transfers	\$0.4	\$8.2	\$7.8		
<b>Total Rcpts &amp; Transfers</b>	<b>\$461.4</b>	<b>\$491.1</b>	<b>\$29.7</b>		

Iowa Department of Management  
October 3, 2006

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE THREE MONTHS ENDING SEPTEMBER 30, 2006  
(\$ MILLIONS)**

**CASH BASIS**

	THREE MONTHS THROUGH SEPTEMBER		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$616.8	\$640.2	\$23.4	3.8%	2.2%
Sales/Use Tax	484.5	498.1	13.6	2.8%	3.5%
Corporate Income Tax	56.7	85.4	28.7	50.6%	-8.2%
Inheritance Tax	19.6	18.6	(1.0)	-5.1%	-4.8%
Insurance Premium Tax	48.7	60.1	11.4	23.4%	4.0%
Cigarette Tax	23.6	22.6	(1.0)	-4.2%	0.6%
Tobacco Tax	2.4	2.3	(0.1)	-4.2%	-1.1%
Beer Tax	4.1	4.2	0.1	2.4%	2.8%
Franchise Tax	8.2	6.6	(1.6)	-19.5%	-7.6%
Miscellaneous Tax	(0.6)	0.1	0.7	-116.7%	20.0%
<b>Total Special Taxes</b>	<b>\$1,264.0</b>	<b>\$1,338.2</b>	<b>\$74.2</b>	<b>5.9%</b>	<b>1.8%</b>
Institutional Payments	3.5	3.6	0.1	2.9%	-0.8%
Liquor Transfers:	11.6	12.6	1.0	8.6%	-3.0%
Interest	3.1	6.3	3.2	103.2%	-23.3%
Fees	16.0	20.3	4.3	26.9%	-8.1%
Judicial Revenue	10.6	12.5	1.9	17.9%	-1.9%
Miscellaneous Receipts	9.7	6.1	(3.6)	-37.1%	-30.1%
Racing and Gaming	50.1	57.1	7.0	14.0%	0.0%
<b>Total Receipts</b>	<b>\$1,368.6</b>	<b>\$1,456.7</b>	<b>\$88.1</b>	<b>6.4%</b>	<b>1.2%</b>
Transfers	\$22.9	\$22.2	(\$0.7)		
<b>Total Rcpts &amp; Transfers</b>	<b>\$1,391.5</b>	<b>\$1,478.9</b>	<b>\$87.4</b>		

Iowa Department of Management  
October 3, 2006

# Iowa Economic Snapshot September 2006

## Iowa Workforce Development

### Iowa's Unemployment Rate 3.6%

The statewide labor force continued the upward trend going from 1,679,200 in July to 1,684,200 in August. The increase reflects the optimistic view of Iowans regarding the economy. Even with the increased labor force, the state's seasonally adjusted unemployment rate decreased to 3.6% from a July rate of 3.8%. The jobless rate stood at 4.5% one year ago. Most indicators continued to show signs of a healthy economy.

### Iowa's Nonfarm Employment 1,509,700

The state economy continued to exhibit measured growth in August. The total number of working Iowans was reported at 1,623,100 in August; 8,400 more than in July. The current level is 34,700 higher than the August 2005 level of 1,588,400.

Iowa's nonfarm employment (i.e., total private non-farm excluding government) totaled 1,509,700 in August. This number represented a loss of 600 jobs from the July figure and 28,700 more jobs than in August 2005. The August totals still represent the second highest nonfarm employment recorded for the state. Trade and transportation recorded the biggest job loss with 700 in August. Other sectors experiencing downturns were professional and business services and other services, both down 300; and financial services by 200. Minor job losses were seen in

Mining and leisure and hospitality sectors. Despite these losses increases were seen in government with 500, construction with 300 and manufacturing with 200 new jobs.

- 33.6 Average Weekly Hours
- \$14.73 Average Hourly Earnings

### Iowa's Manufacturing Employment 235,000

In August 2006, manufacturing employment stood at 235,000, up 0.1% from a revised July figure of 234,800.

Workers in manufacturing earned \$687.49 a week in August 2006.

- Working 42.1 Average Weekly Hours
- \$16.33 Average Hourly Earnings

### Iowa's Unemployment Benefit Payments \$19.8 million

Iowa jobless benefits payments for August 2006 totaled \$23.8 million for 26,620 claimants. This represents an increase of \$4.0 million from the July figure of \$19.8 million for 26,610 jobless Iowans. An extra processing Wednesday in August accounted for the entire increase in claims. One year ago, payments totaled \$21.6 million for 25,625 claimants.

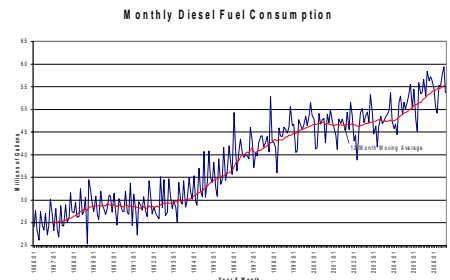
- 6,560 First Payments

## Iowa Department of Revenue

### Diesel Fuel Consumption

Diesel fuel consumption during August 2006 in Iowa for transportation purposes increased by 0.771 million gallons (1.46%) compared to the same month last year. Diesel fuel consumption

continues to exhibit modest year-over-year growth. This month's level of diesel fuel consumption totaled 55.315 million gallons on a 12-month moving average basis. Prior to the 2001 recession, diesel fuel consumption peaked at 47.189 million gallons, so diesel fuel consumption is now 17.22% over the last pre-recession peak.



## Real Estate Transfer Tax

During August 2006 real estate transfer tax collections decreased by 5.60% compared to August 2005. The decrease during August is the third monthly decrease out of the past four months. During August the interest rate for 30-year conventional mortgages nationally averaged 6.52%, which was down 0.24% from July, and still 0.55% below the December 2001 peak of 7.07%

