



STATE OF IOWA

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

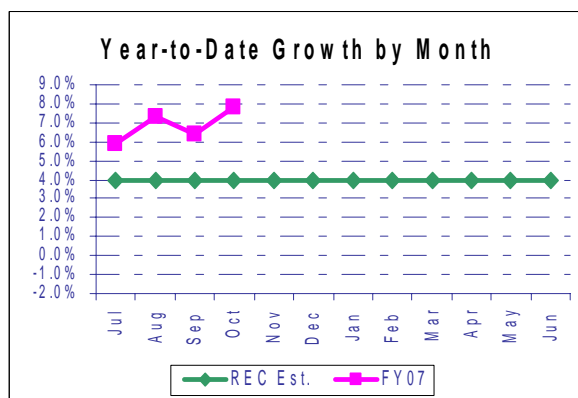
DEPARTMENT OF MANAGEMENT
MICHAEL TRAMONTINA, DIRECTOR

DATE: November 2, 2006
TO: The Honorable Thomas J. Vilsack
The Honorable Sally J. Pederson
FROM: Mike Tramontina, Director *Michael L. Tramontina*
Department of Management
RE: October 2006 General Fund Receipts

General fund receipts for October totaled \$409.8 million, which is \$46.7 million or 12.9 percent more than was collected during October 2005. Included in the monthly increase was approximately \$8.0 million in sales tax receipts that were received in September, but delayed in processing until October. October 2006 had 22 processing days as compared to 21 processing days in October 2005. Fiscal year-to-date, general fund receipts totaled \$1,866.5 million, an increase of 7.8 percent over receipts for the same period last year. The official estimated rate of annual growth is 4.0 percent.

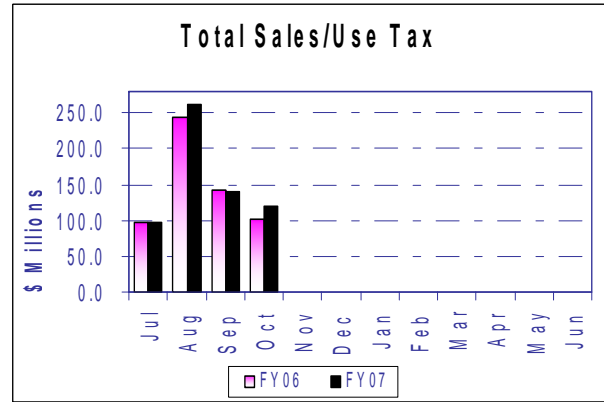
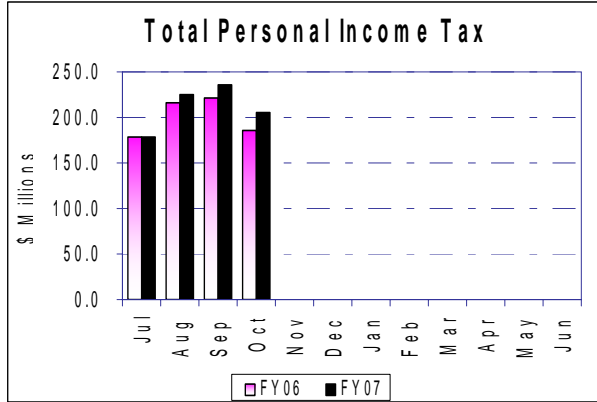
Summary

Very strong growth in corporate income tax, sales/use tax and personal income tax, coupled with a substantial growth in insurance premium tax (resulting from final phase-in of August prepayments), helped year-to-date growth post a 7.8% rate. The official estimate rate of growth is currently at 4.0 percent.



Personal Income Tax

Personal income tax receipts totaled \$204.9 million during October. This represents \$18.4 million or 9.9 percent more than the receipts of October 2005. Withholding tax receipts increased \$0.9 million or 0.6 percent compared to last year. Estimated payments increased by \$9.6 million. Final return payments increased by \$7.8 million. Fiscal year-to-date, personal income tax receipts totaled \$845.1 million, an increase of 5.2 percent. Personal income tax receipts were estimated to grow by 4.7 percent for the year.

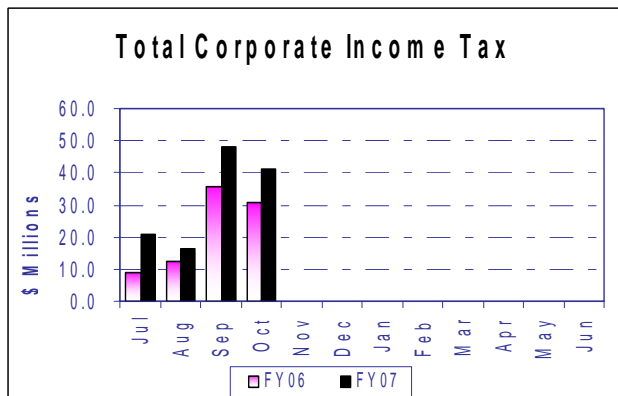


Sales/Use Tax

October sales/use tax receipts totaled \$120.4 million, which represents an increase of \$18.6 million or 18.3 percent compared to October 2005. For the fiscal year, sales/use tax receipts are \$618.5 million, representing an increase of 5.5%. The annual estimated rate of sales/use tax growth was 3.7 percent.

Corporate Income Tax

Corporate income tax receipts during October totaled \$41.1 million, which is \$10.2 million or 33.0 percent more than in October 2005. For the fiscal year, corporate income tax receipts totaled \$126.5 million or 44.4% more than last year. Corporate income tax receipts were estimated to increase at a rate of 16.3 percent.



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

CASH BASIS

	MONTH OF OCTOBER		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$186.5	\$204.9	\$18.4	9.9%	4.7%
Sales/Use Tax	101.8	120.4	18.6	18.3%	3.7%
Corporate Income Tax	30.9	41.1	10.2	33.0%	16.3%
Inheritance Tax	5.1	6.9	1.8	35.3%	0.0%
Insurance Premium Tax	0.1	0.9	0.8	N/A	-9.4%
Cigarette Tax	6.9	7.8	0.9	13.0%	2.0%
Tobacco Tax	0.6	0.8	0.2	33.3%	2.2%
Beer Tax	1.2	1.1	(0.1)	-8.3%	1.4%
Franchise Tax	2.3	2.8	0.5	21.7%	-3.1%
Miscellaneous Tax	0.6	0.1	(0.5)	-83.3%	66.7%
Total Special Taxes	\$336.0	\$386.8	\$50.8	15.1%	4.6%
Institutional Payments	0.8	0.7	(0.1)	-12.5%	0.0%
Liquor Transfers:	4.7	4.7	0.0	0.0%	3.1%
Interest	1.2	2.3	1.1	91.7%	5.7%
Fees	4.8	5.0	0.2	4.2%	-9.3%
Judicial Revenue	3.2	5.4	2.2	68.8%	1.9%
Miscellaneous Receipts	2.5	3.0	0.5	20.0%	-30.8%
Racing and Gaming	9.9	1.9	(8.0)	-80.8%	0.0%
Total Receipts	\$363.1	\$409.8	\$46.7	12.9%	4.0%
Transfers	\$14.8	\$14.9	\$0.1		
Total Rcpts & Transfers	\$377.9	\$424.7	\$46.8		

Iowa Department of Management
November 2, 2006

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2006
(\$ MILLIONS)**

CASH BASIS

	FOUR MONTHS THROUGH OCTOBER		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$803.3	\$845.1	\$41.8	5.2%	4.7%
Sales/Use Tax	586.3	618.5	32.2	5.5%	3.7%
Corporate Income Tax	87.6	126.5	38.9	44.4%	16.3%
Inheritance Tax	24.7	25.5	0.8	3.2%	0.0%
Insurance Premium Tax	48.8	61.0	12.2	25.0%	-9.4%
Cigarette Tax	30.5	30.4	(0.1)	-0.3%	2.0%
Tobacco Tax	3.0	3.1	0.1	3.3%	2.2%
Beer Tax	5.3	5.3	0.0	0.0%	1.4%
Franchise Tax	10.5	9.4	(1.1)	-10.5%	-3.1%
Miscellaneous Tax	0.0	0.2	0.2	0.0%	66.7%
Total Special Taxes	\$1,600.0	\$1,725.0	\$125.0	7.8%	4.6%
Institutional Payments	4.3	4.3	0.0	0.0%	0.0%
Liquor Transfers:	16.3	17.3	1.0	6.1%	3.1%
Interest	4.3	8.6	4.3	100.0%	5.7%
Fees	20.8	25.3	4.5	21.6%	-9.3%
Judicial Revenue	13.8	17.9	4.1	29.7%	1.9%
Miscellaneous Receipts	12.2	9.1	(3.1)	-25.4%	-30.8%
Racing and Gaming	60.0	59.0	(1.0)	-1.7%	0.0%
Total Receipts	\$1,731.7	\$1,866.5	\$134.8	7.8%	4.0%
Transfers	\$37.7	\$37.1	(\$0.6)		
Total Rcpts & Transfers	\$1,769.4	\$1,903.6	\$134.2		

Iowa Department of Management
November 2, 2006

Iowa Economic Snapshot October 2006

Iowa Workforce Development

Iowa's Unemployment Rate 3.4%

The statewide labor force trended upward going from 1,684,200 in August to 1,702,000 in October. The increase reflects the continued optimism of Iowans regarding the economy. Despite the increased labor force, the state's seasonally adjusted unemployment rate decreased to 3.4% from an August rate of 3.6%. The jobless rate stood at 4.5% one year ago. Most indicators continued to show signs of a healthy economy.

Iowa's Nonfarm Employment 1,515,400

The state economy continued to grow in October. The total number of working Iowans was reported at 1,644,100 in October; 21,000 more than in August. The current level is 54,600 higher than the October 2005 level of 1,589,500.

Iowa's nonfarm employment (i.e., total private non-farm excluding government) totaled 1,515,400 in October. This number represents a gain of 5,500 jobs from the August figure and 30,200 more jobs than in October 2005. The October figures represent a new record for nonfarm employment in the state. The gain in October followed a slight decline of 400 in August, due mainly to losses in Trade and transportation, financial services, and other services. The sectors that led the growth include government, Education and health Services which added 1,000 jobs or more. Trade and Transportation, financial services, professional and business services and Leisure and

hospitality also added significant jobs.

- 33.6 Average Weekly Hours
- \$14.97 Average Hourly Earnings

Iowa's Manufacturing Employment 235,000

In October 2006, manufacturing employment stood at 235,000, unchanged from the August figure of 235,000. Workers in manufacturing earned \$702.10 a week in October 2006.

- Working 42.5 Average Weekly Hours
- \$16.52 Average Hourly Earnings

Iowa's Unemployment Benefit Payments \$18.6 million

Iowa jobless benefits payments for October 2006 totaled \$18.6 million for 23,724 claimants. This represents a decrease of \$5.2 million from the August figure of \$23.8 million for 25,620 jobless Iowans. The loss of a processing Wednesday in October accounted for most of the decrease in claims. One year ago, payments totaled \$16.5 million for 20,826 claimants.

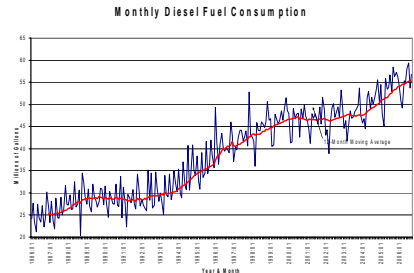
- 5,303 First Payments

Iowa Department of Revenue

Diesel Fuel Consumption

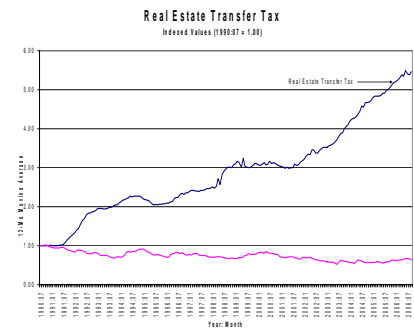
Diesel fuel consumption during September 2006 in Iowa for transportation purposes decreased by 1.571 million gallons (2.69%) compared to the same month last year. Monthly diesel fuel consumption has remained relatively constant over the past four months. This month's level of diesel fuel consumption totaled 55.185 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 17.82% over the last pre-recession peak.



Real Estate Transfer Tax

During September 2006 real estate transfer tax collections increased by 15.40% compared to September 2005. The increase during September follows decreases during July and August. Over the past three months real estate transfer tax receipts have decreased by 2.13% compared to the same quarter last year. During September the interest rate for 30-year conventional mortgages nationally averaged 6.40%, which was down 0.12% from August, and still 0.67% below the December 2001 peak of 7.07%





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