



# STATE OF IOWA

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

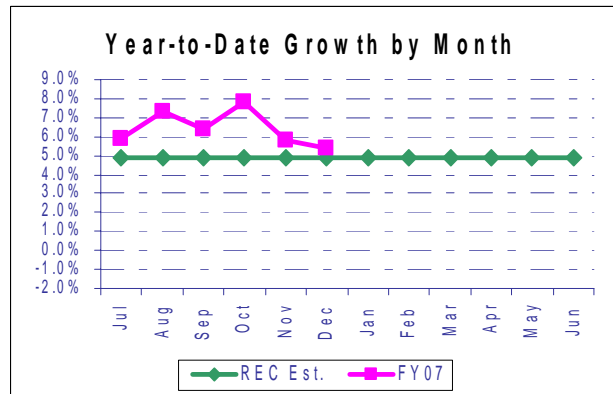
DEPARTMENT OF MANAGEMENT  
MICHAEL TRAMONTINA, DIRECTOR

DATE: January 3, 2007  
TO: The Honorable Thomas J. Vilsack  
The Honorable Sally J. Pederson  
FROM: Mike Tramontina, Director *Michael A. Tramontina*  
Department of Management  
RE: December 2006 General Fund Receipts

General fund receipts for December totaled \$451.3 million, which is \$14.1 million or 3.2 percent more than was collected during December 2005. December 2006 had 20 processing days as compared to 21 processing days in December 2005. Fiscal year-to-date, general fund receipts totaled \$2,804.3 million, an increase of 5.4 percent over receipts for the same period last year. The official estimated rate of annual growth is 4.9 percent.

### Summary

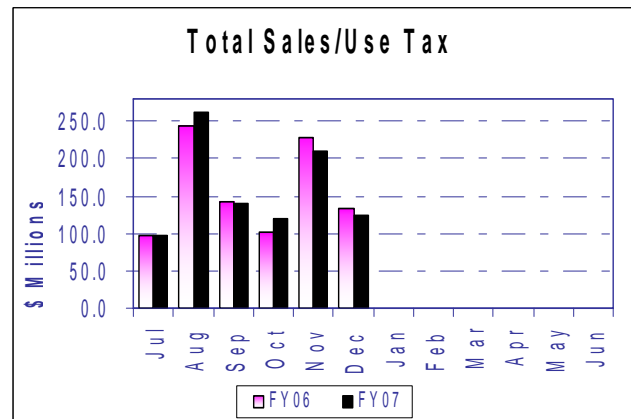
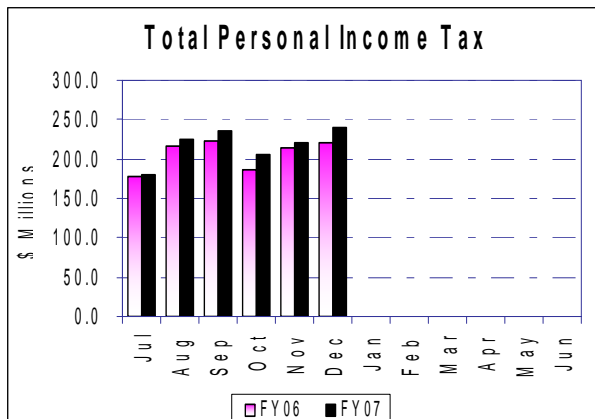
**Exceptional growth in corporate income, backed by growth in personal income and insurance premium tax, helped year-to-date growth post a 5.4% rate. The official estimate rate of growth is currently at 4.9 percent.**



### Personal Income Tax

Personal income tax receipts totaled \$240.1 million during December. This represents \$20.3 million or 9.2 percent more than the receipts of December 2005. Withholding tax receipts increased \$30.5 million or 16.9 percent compared to last year. Most of the increase in withholding can be attributed to additional state payroll in December 2006, general year-end bonus activity as well as some employees having exceeded their annual FICA threshold in December, thereby increasing their taxable base. Estimated payments decreased by \$8.8 million. Final return payments decreased by \$1.5 million. Fiscal year-to-date, personal income tax receipts totaled \$1,306.7 million, an increase

of 5.5 percent. Personal income tax receipts were estimated to grow by 6.1 percent for the year.

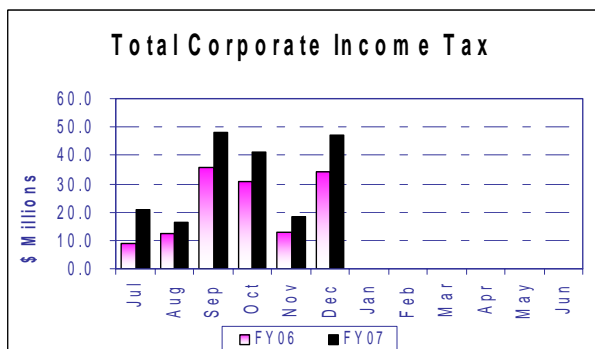


Sales/Use Tax

December sales/use tax receipts totaled \$124.7 million, which represents a decrease of \$7.9 million or 6.0 percent compared to December 2005. Receipts were effected by changes in adjustments for increases in school local option disbursements and increased accounts receivable transfers. For the fiscal year, sales/use tax receipts are \$953.3 million, representing an increase of 0.7%. The annual estimated rate of sales/use tax growth was 2.7 percent.

Corporate Income Tax

Corporate income tax receipts during December totaled \$46.9 million, which is \$12.7 million or 37.1 percent more than in December 2005. For the fiscal year, corporate income tax receipts totaled \$191.6 million or 42.0% more than last year. Corporate income tax receipts were estimated to increase at a rate of 24.3 percent.



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

**CASH BASIS**

	MONTH OF DECEMBER		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$219.8	\$240.1	\$20.3	9.2%	6.1%
Sales/Use Tax	132.6	124.7	(7.9)	-6.0%	2.7%
Corporate Income Tax	34.2	46.9	12.7	37.1%	24.3%
Inheritance Tax	5.1	5.3	0.2	3.9%	1.8%
Insurance Premium Tax	0.0	0.3	0.3	N/A	-9.4%
Cigarette Tax	7.1	7.0	(0.1)	-1.4%	0.0%
Tobacco Tax	0.7	0.2	(0.5)	-71.4%	5.4%
Beer Tax	1.1	1.1	0.0	0.0%	2.1%
Franchise Tax	4.5	4.0	(0.5)	-11.1%	-5.9%
Miscellaneous Tax	(0.4)	0.0	0.4	-100.0%	66.7%
<b>Total Special Taxes</b>	<b>\$404.7</b>	<b>\$429.6</b>	<b>\$24.9</b>	<b>6.2%</b>	<b>5.5%</b>
Institutional Payments	0.8	0.8	0.0	0.0%	-3.1%
Liquor Transfers:	5.8	5.8	0.0	0.0%	3.1%
Interest	2.0	2.6	0.6	30.0%	33.1%
Fees	6.7	5.7	(1.0)	-14.9%	-9.3%
Judicial Revenue	4.8	5.1	0.3	6.3%	1.9%
Miscellaneous Receipts	12.4	1.7	(10.7)	-86.3%	-28.0%
Racing and Gaming	0.0	0.0	0.0	N/A	0.0%
<b>Total Receipts</b>	<b>\$437.2</b>	<b>\$451.3</b>	<b>\$14.1</b>	<b>3.2%</b>	<b>4.9%</b>
Transfers	\$0.1	\$0.1	\$0.0		
<b>Total Rcpts &amp; Transfers</b>	<b>\$437.3</b>	<b>\$451.4</b>	<b>\$14.1</b>		

Iowa Department of Management  
January 3, 2007

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

**CASH BASIS**

	FIVE MONTHS THROUGH DECEMBER		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$1,238.2	\$1,306.7	\$68.5	5.5%	6.1%
Sales/Use Tax	946.3	953.3	7.0	0.7%	2.7%
Corporate Income Tax	134.9	191.6	56.7	42.0%	24.3%
Inheritance Tax	36.2	36.3	0.1	0.3%	1.8%
Insurance Premium Tax	49.0	61.4	12.4	25.3%	-9.4%
Cigarette Tax	45.1	44.3	(0.8)	-1.8%	0.0%
Tobacco Tax	4.5	4.2	(0.3)	-6.7%	5.4%
Beer Tax	7.5	7.5	0.0	0.0%	2.1%
Franchise Tax	15.3	13.8	(1.5)	-9.8%	-5.9%
Miscellaneous Tax	0.5	0.4	(0.1)	0.0%	66.7%
<b>Total Special Taxes</b>	<b>\$2,477.5</b>	<b>\$2,619.5</b>	<b>\$142.0</b>	<b>5.7%</b>	<b>5.5%</b>
Institutional Payments	6.4	5.9	(0.5)	-7.8%	-3.1%
Liquor Transfers:	26.3	27.4	1.1	4.2%	3.1%
Interest	8.6	15.1	6.5	75.6%	33.1%
Fees	31.6	36.1	4.5	14.2%	-9.3%
Judicial Revenue	22.8	28.4	5.6	24.6%	1.9%
Miscellaneous Receipts	27.0	12.9	(14.1)	-52.2%	-28.0%
Racing and Gaming	60.0	59.0	(1.0)	-1.7%	0.0%
<b>Total Receipts</b>	<b>\$2,660.2</b>	<b>\$2,804.3</b>	<b>\$144.1</b>	<b>5.4%</b>	<b>4.9%</b>
Transfers	\$37.9	\$37.4	(\$0.5)		
<b>Total Rcpts &amp; Transfers</b>	<b>\$2,698.1</b>	<b>\$2,841.7</b>	<b>\$143.6</b>		

Iowa Department of Management  
January 3, 2007

# Iowa Economic Snapshot December 2006

## Iowa Workforce Development

### Iowa's Unemployment Rate 3.4%

The statewide labor force declined slightly going from 1,700,733 in October to 1,697,928 in November. This was due to the slowed pace of hiring across most industry sectors for the month. The decrease in the labor force, helped the state's seasonally adjusted unemployment rate drop to 3.4% from an October rate of 3.6%. The jobless rate stood at 4.5% one year ago. There is little evidence to suggest that the strong pattern of growth will be interrupted in the months ahead.

### Iowa's Nonfarm Employment 1,516,600

Iowa's nonfarm employment (i.e., total private non-farm excluding government) totaled 1,516,600 in November. This number represents a gain of 3,600 jobs from the October figure and 27,000 more jobs than in November 2005. The October 2006 figure represents a new all-time high for the state. Most nonfarm sectors added jobs during November except for professional and business services and government. The sectors that led the increase include trade and transportation, construction, leisure and hospitality, education and health and other services.

- 33.7 Average Weekly Hours
- \$15.01 Average Hourly Earnings

### Iowa's Manufacturing Employment 235,300

In November 2006, manufacturing employment stood at 235,300, up from the October figure of 235,100. Workers in manufacturing earned \$712.27 a week in November 2006.

- Working 42.6 Average Weekly Hours
- \$16.72 Average Hourly Earnings

### Iowa's Unemployment Benefit Payments \$25.1 million

Iowa jobless benefits payments for November 2006 totaled \$25.1 million for 29,525 claimants. This represents an increase of \$6.8 million from the October figure of \$18.3 million for 23,485 jobless Iowans. An extra processing Wednesday and seasonal layoffs in construction accounted for the increase in unemployment claims. One year ago, payments totaled \$21.3 million for 25,243 claimants.

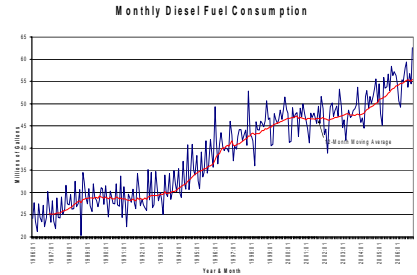
- 7,956 First Payments

## Iowa Department of Revenue

### Diesel Fuel Consumption

Diesel fuel consumption during November 2006 in Iowa for transportation purposes increased by 5.384 million gallons (9.42%) compared to the same month last year. This is a reversal of the past two months during which diesel fuel consumption decreased. This month's level of diesel fuel consumption totaled 55.479 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 17.57% over the last pre-recession peak.



## Real Estate Transfer Tax

During November 2006 real estate transfer tax collections decreased by 13.34% compared to November 2005. Real estate transfer tax receipts have decreased four of the past six months. During November the interest rate for 30-year conventional mortgages nationally averaged 6.24%, which was down 0.12% from October, and still 0.83% below the December 2001 peak of 7.07%, and 0.09% below November 2005.

