



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

DEPARTMENT OF MANAGEMENT
CHARLES J. KROGMEIER, DIRECTOR

DATE: April 3, 2007

TO: The Honorable Chester J. Culver
The Honorable Patty Judge

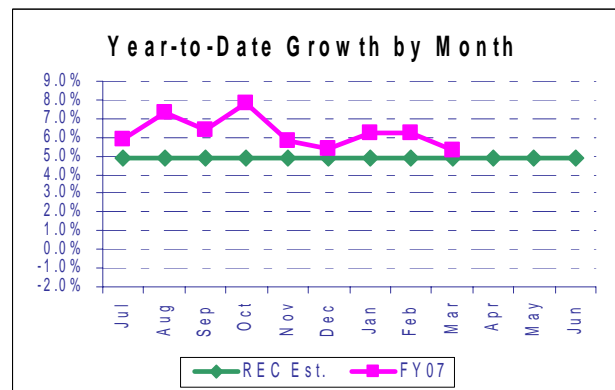
FROM: Charles J. Krogmeier, Director
Department of Management

RE: March 2007 General Fund Receipts

General Fund receipts for March totaled \$436.5.6 million, which is \$10.2 million or 2.3 percent less than was collected during March 2006. March 2007 had 22 processing days as compared to 23 processing days in March 2006. Fiscal year-to-date, General Fund receipts totaled \$4,302.1 million, an increase of 5.3 percent over receipts for the same period last year. The official estimated rate of annual growth is 4.9 percent.

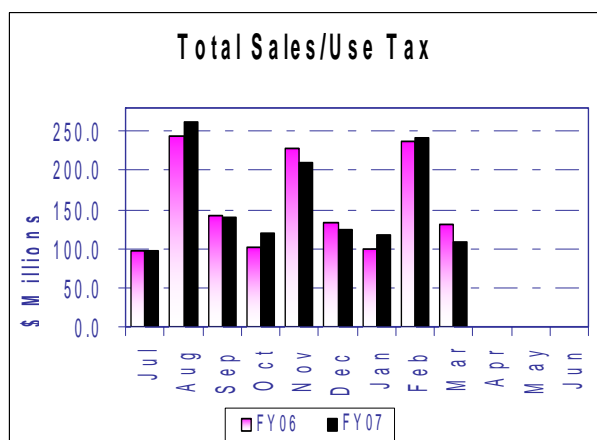
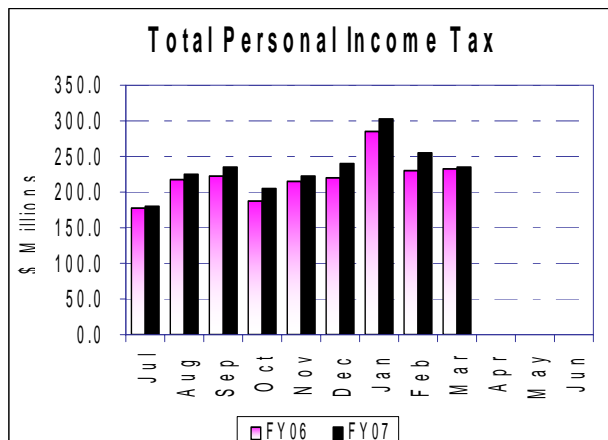
Summary

Corporate income tax continued to post huge gains to lead the solid growth. This was backed by solid growth in personal income, cigarette, and insurance premium tax. Growth was also seen in inheritance, tobacco and franchise taxes. These helped year-to-date growth post a 5.3% rate. The official estimate rate of growth is currently at 4.9 percent.



Personal Income Tax

Personal income tax receipts totaled \$235.3 million during March. This represents \$1.9 million or 0.8 percent more than the receipts of March 2006. Withholding tax receipts increased \$2.4 million or 1.3 percent compared to last year. Most of the March increase in withholding receipts seen this year can be attributed to additional payrolls for the three Fridays in the first half of March 2007. Estimated payments decreased by \$0.1million. Estimate payments processed in March 2007 decreased by 13.1 percent over the same period last year. Final return payment decreased by \$0.4 million. The decrease in final return payment is attributed to a decrease in the adjustment for the school tax surcharge transfer. Fiscal year-to-date, personal income tax receipts totaled \$2,101.6 million, an increase of 5.7 percent. Personal income tax receipts were estimated to grow by 6.1 percent for the year.

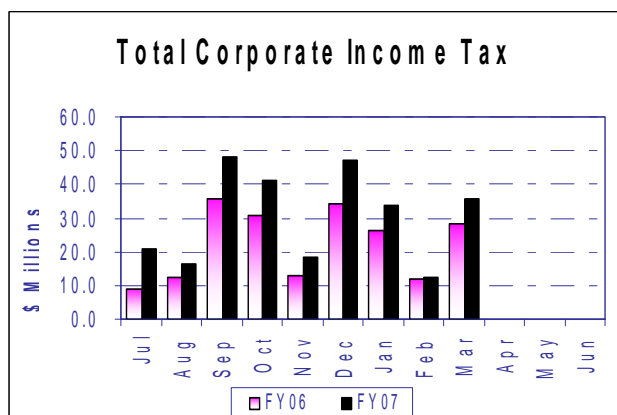


Sales/Use Tax

March sales/use tax receipts totaled \$107.4 million, which represents a decrease of \$22.7 million or 17.4 percent compared to March 2006. Receipts were effected by changes in adjustments for increases in local option tax distributions and account receivable collections. For the fiscal year, sales/use tax receipts are \$1,420.8 million, representing an increase of 0.6%. The annual estimated rate of sales/use tax growth was 2.7 percent.

Corporate Income Tax

Corporate income tax receipts during March totaled \$35.9 million, which is \$7.8 million or 27.8 percent more than in March 2006. For the fiscal year, corporate income tax receipts totaled \$273.5 million or 35.9% 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 MARCH 31, 2007
 (\$ MILLIONS)**

CASH BASIS

	MONTH OF MARCH FY06	FY07	FY07 Over (Under) FY06 Dollars	Percent	FY07 Annual Est Percent Of Growth
Personal Income Tax	\$233.4	\$235.3	\$1.9	0.8%	6.1%
Sales/Use Tax	130.1	107.4	(22.7)	-17.4%	2.7%
Corporate Income Tax	28.1	35.9	7.8	27.8%	24.3%
Inheritance Tax	5.9	7.5	1.6	27.1%	1.8%
Insurance Premium Tax	15.5	7.8	(7.7)	N/A	-9.4%
Cigarette Tax	7.2	12.1	4.9	68.1%	0.0%
Tobacco Tax	0.6	0.7	0.1	16.7%	5.4%
Beer Tax	0.9	0.9	0.0	0.0%	2.1%
Franchise Tax	1.7	2.1	0.4	23.5%	-5.9%
Miscellaneous Tax	0.1	0.7	0.6	600.0%	66.7%
Total Special Taxes	\$423.5	\$410.4	(\$13.1)	-3.1%	5.5%
Institutional Payments	1.2	1.4	0.2	16.7%	-3.1%
Liquor Transfers:	5.2	5.3	0.1	1.9%	3.1%
Interest	1.8	3.0	1.2	66.7%	33.1%
Fees	9.4	8.8	(0.6)	-6.4%	-9.3%
Judicial Revenue	3.6	5.6	2.0	55.6%	1.9%
Miscellaneous Receipts	2.0	2.0	0.0	0.0%	-28.0%
Racing and Gaming	0.0	0.0	0.0	N/A	0.0%
Total Receipts	\$446.7	\$436.5	(\$10.2)	-2.3%	4.9%
Transfers	\$54.7	\$0.0	(\$54.7)		
Total Rcpts & Transfers	\$501.4	\$436.5	(\$64.9)		

Iowa Department of Management
 April 3, 2007

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE NINE MONTHS ENDING MARCH 31, 2007
(\$ MILLIONS)**

CASH BASIS

	NINE MONTHS THROUGH MARCH		FY07 Over (Under) FY06		FY07 Annual Est Percent Of Growth
	FY06	FY07	Dollars	Percent	
Personal Income Tax	\$1,987.5	\$2,101.6	\$114.1	5.7%	6.1%
Sales/Use Tax	1,412.4	1,420.8	8.4	0.6%	2.7%
Corporate Income Tax	201.2	273.5	72.3	35.9%	24.3%
Inheritance Tax	54.9	57.6	2.7	4.9%	1.8%
Insurance Premium Tax	66.1	70.6	4.5	6.8%	-9.4%
Cigarette Tax	65.7	70.5	4.8	7.3%	0.0%
Tobacco Tax	6.5	6.8	0.3	4.6%	5.4%
Beer Tax	10.6	10.6	0.0	0.0%	2.1%
Franchise Tax	20.5	21.2	0.7	3.4%	-5.9%
Miscellaneous Tax	0.3	1.1	0.8	0.0%	66.7%
Total Special Taxes	\$3,825.7	\$4,034.3	\$208.6	5.5%	5.5%
Institutional Payments	9.8	9.1	(0.7)	-7.1%	-3.1%
Liquor Transfers:	41.0	44.3	3.3	8.0%	3.1%
Interest	14.5	24.7	10.2	70.3%	33.1%
Fees	59.8	67.0	7.2	12.0%	-9.3%
Judicial Revenue	39.9	44.3	4.4	11.0%	1.9%
Miscellaneous Receipts	35.8	19.4	(16.4)	-45.8%	-28.0%
Racing and Gaming	60.0	59.0	(1.0)	-1.7%	0.0%
Total Receipts	\$4,086.5	\$4,302.1	\$215.6	5.3%	4.9%
Transfers	\$115.1	\$51.4	(\$63.7)		
Total Rcpts & Transfers	\$4,201.6	\$4,353.5	\$151.9		

Iowa Department of Management
April 3, 2007

Iowa Economic Snapshot March 2007

Iowa Workforce Development

Iowa's Unemployment Rate 3.3%

The statewide labor force decreased slightly from 1,664,500 in January to 1,659,000 in February. This was due to the slowed pace of hiring across most industry sectors for the month. The trend in the labor force, helped the state's seasonally adjusted unemployment rate drop to 3.3% from a January rate of 3.4%. The jobless rate stood at 3.9% one year ago. There is little evidence to suggest that the strong growth trend will be interrupted in the months ahead.

Iowa's Nonfarm Employment 1,518,600

Iowa's nonfarm employment (i.e., total private non-farm including government) totaled 1,518,600 in February. This number represents a gain of 5,100 jobs from the January figure and 18,600 more jobs than in February 2006. The February 2007 figure was the fourth straight month of growth for the nonfarm sector. Leading the job growth are the following sectors: retail trade with 1,800 additional jobs, Construction with 1,100 additional jobs, manufacturing with 700 additional jobs, 600 in leisure and hospitality, and 500 in education and health services.

- 33.0 Average Weekly Hours
- \$14.94 Average Hourly Earnings

Iowa's Manufacturing Employment 232,100

In February 2007, manufacturing employment stood at 232,100, up from the January figure of 231,400. Workers in manufacturing earned \$694.72 a week in February 2007.

- Working 41.7 Average Weekly Hours
- \$16.66 Average Hourly Earnings

Iowa's Unemployment Benefit Payments \$43.7 million

Iowa jobless benefits payments for February 2007 totaled \$43.7 million for 46,159 claimants. This represents a decrease of \$7.0 million from the

January figure of \$50.7 million for 55,527 jobless Iowans. Over the month declines in accommodation and food services, manufacturing, and transportation claimants offset an increase in construction claimants. One year ago, payments totaled \$36.4 million for 40,364 claimants.

- 9,194 First Payments

New Information: Personal and Per Capita Personal Income

According to the report released on March 27, 2007 by the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce, preliminary estimates for Iowa's personal income in 2006 was \$99,112 million, an increase of 5.5 percent from a 2005 figure of \$93,919. Per capita personal income stood at \$33,236, an increase of 4.9 percent from a revised 2005 figure of \$31,670. This puts Iowa at the 27th rank among the states nationally.

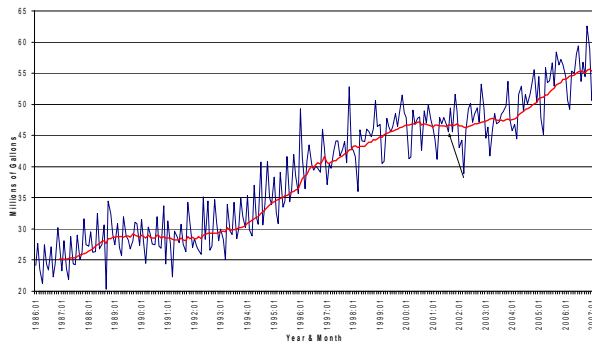
Overall, U.S. personal income grew 6.3 percent in 2006, up from 5.2 percent in 2005. The BEA reports that "this is the strongest annual growth rate so far in the economic expansion which began in December 2001".

Iowa Department of Revenue

Diesel Fuel Consumption

Diesel fuel consumption during February in Iowa for transportation purposes increased by 3.673 million gallons (7.26%) compared to the same month last year. This month's decrease follows a decrease during January. This month's level of diesel fuel consumption totaled 55.684 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 18.00% over the last pre-recession peak.

Monthly Diesel Fuel Consumption



Real Estate Transfer Tax

During February 2007 real estate transfer tax collections increased by 5.27% compared to February 2006. This month's results mark only the third increase over the past 10 months. During February the interest rate for 30-year conventional

mortgages nationally averaged 6.29%, which was up 0.07% from November, but still 0.78% below the December 2001 peak of 7.07%, and only 0.04% above February 2006.

Real Estate Transfer Tax
 Indexed Values (1990.07 = 1.00)

