



# STATE OF IOWA

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

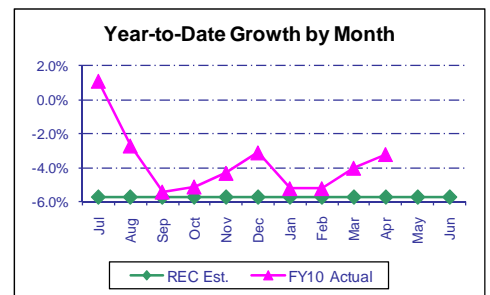
DEPARTMENT OF MANAGEMENT  
Richard Oshlo, Jr., Director

DATE: May 4, 2010  
TO: The Honorable Chester J. Culver  
The Honorable Patty Judge  
FROM: Richard Oshlo, Director  
Department of Management  
RE: April 2010 General Fund Receipts

Gross General Fund receipts for the month of April totaled \$558.7 million, which is \$20.5 million or 3.8 percent more than was collected during April 2009. Fiscal year-to-date gross General Fund receipts totaled \$5.388 billion, a decrease of 3.2 percent over the same period last year. The Revenue Estimating Conference's (REC) official estimated rate of annual growth for gross receipts is a negative 5.7 percent for Fiscal Year 2010 over Fiscal Year 2009. It is important to note that these figures are on a cash basis and do not include any adjustments for tax refunds, school infrastructure transfers, or accruals, which could reduce available revenue. The REC's official rate for net revenues, which includes refunds, transfers, and accrued revenue, is a negative 9.0 percent over Fiscal Year 2009, and the Governor's 10-percent across-the-board reduction continues to be sufficient to ensure that the Fiscal Year 2010 budget is balanced.

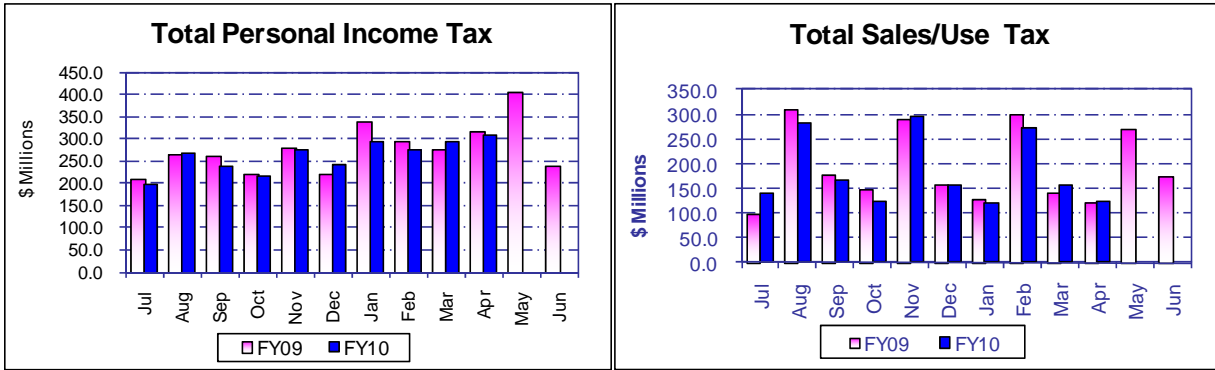
### Summary

**Year-to-date gross receipts are at a negative 3.2 percent through April 2010 over Fiscal Year 2009, which still compares favorably to the REC's estimate of negative 5.7% for Fiscal Year 2010. As is shown in a new section dealing with accrual revenues, net General Fund receipts on an accrual basis are negative 6.2 percent through April 2010 over Fiscal Year 2009, which compares favorably to the REC's estimate of overall net General Fund receipts on an accrual basis of negative 9.0 percent. Fiscal Year 2010 budget is balanced and state revenues continue to improve.**



### Personal Income Tax

Personal income tax receipts totaled \$306.8 million during April. This represents \$9.0 million or 2.8 percent less than the receipts of April 2009. Withholding tax receipts increased \$4.2 million or 2.5 percent compared to last year. Estimated payments increased by \$7.0 million. Final return payments decreased \$20.2 million compared to April 2009. Fiscal year-to-date, personal income tax receipts totaled \$2.602 billion, a decrease of 3.0 percent. Personal income tax receipts are estimated to decrease by 5.8 percent for the year.

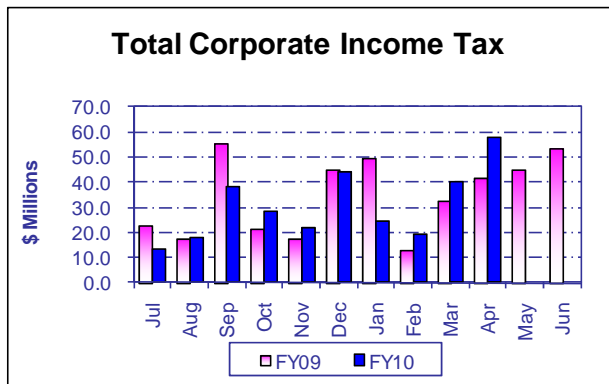


**Sales/Use Tax**

April sales/use tax receipts totaled \$124.4 million, which represents an increase of \$2.7 million or 2.2 percent compared to April 2009. Fiscal year-to-date, sales/use tax receipts totaled \$1.837 billion, a decrease of 2.5 percent. The annual estimated rate of sales/use tax growth is negative 3.8 percent.

**Corporate Income Tax**

Corporate income tax receipts during April totaled \$58.2 million, which is \$16.3 million or 38.9 percent more than in April 2009. Fiscal year-to-date, corporate income tax receipts totaled \$306.4 million, a decrease of 3.7 percent. Corporate income tax receipts are estimated to decrease 12.8 percent.

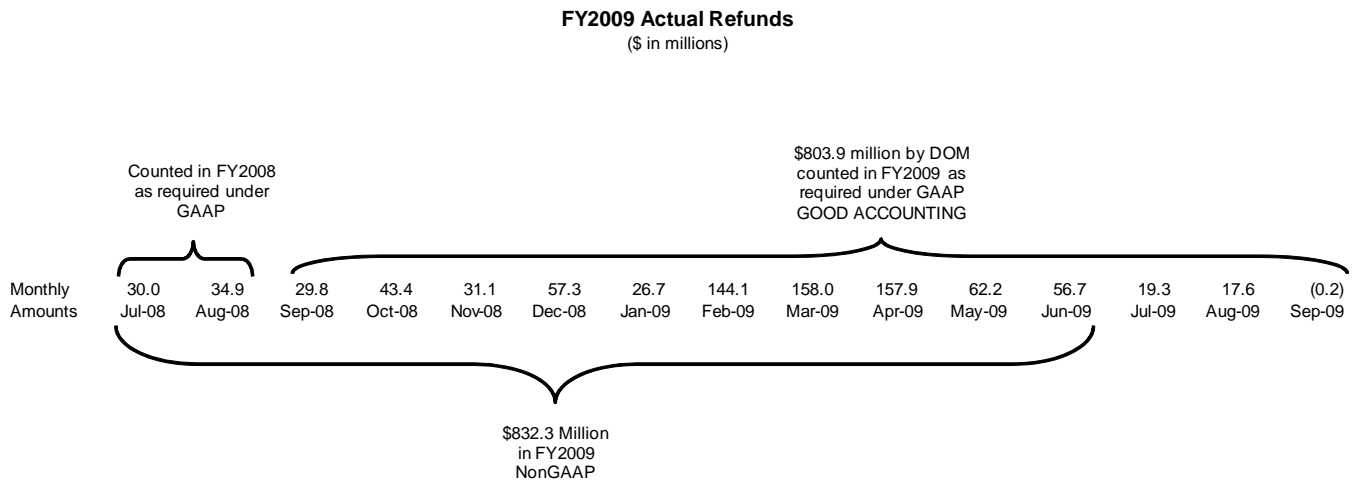


**Refunds**

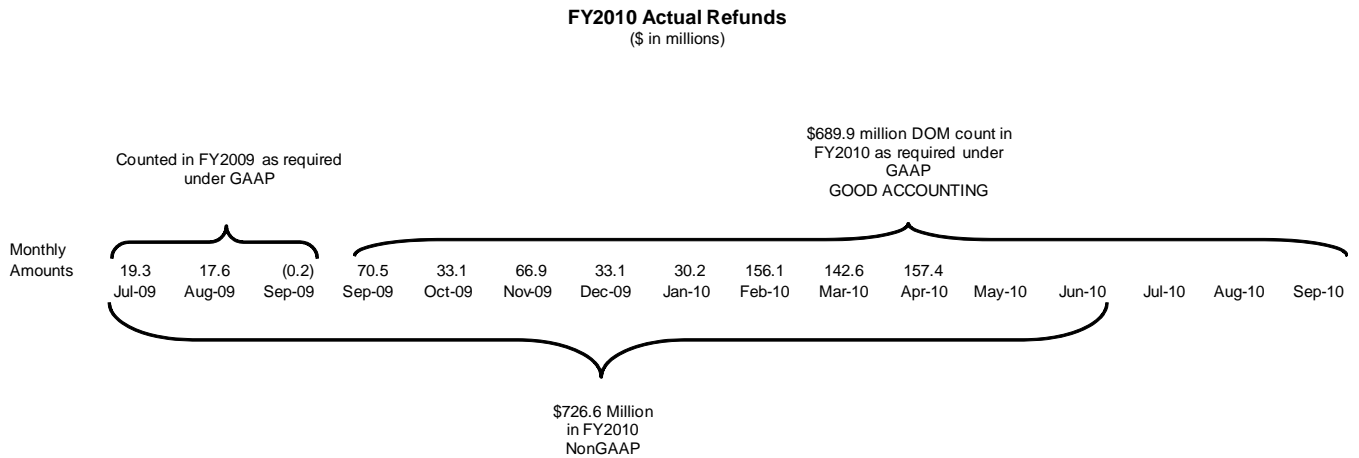
For the month of April, the Department of Revenue issued \$157.4 million in refunds on a cash basis. This compares to \$157.9 million issued April 2009. For the fiscal year-to-date, total refunds issued on a cash basis were \$726.6 million. This compares to \$713.4 million issued at this time last year. We need to keep in mind that approximately \$37 million of the \$726.6 million of refunds reported so far in Fiscal Year 2010 on a cash basis have already been “booked” in Fiscal Year 2009 and should not be counted toward Fiscal Year 2010 on an accrual basis.

## Refunds – Accrual Basis

The chart below identifies the misinformation that surrounded the balancing of FY2009 beginning last May. While revenues had declined sharply in May 2009, observers did not understand the difference between cash accounting and accrual accounting and, therefore were unable to allocate refunds to the correct fiscal year, either Fiscal Year 2008 or Fiscal Year 2009.



The same allocation must occur in Fiscal Year 2010.



FY 2010 Year-to-Date Net General Fund Receipts on an Accrual Basis

With ten months of the fiscal year completed, as can be seen from the chart below, year-to-date net General Fund receipts have declined 6.2 percent, compared to the REC estimate of negative 9.0 percent. This table will be updated monthly until the State's books are closed at the end of September 2010.

**Net General Fund Receipts**

**Accrual Basis**

Through April 30, 2010

	<u>FY09</u>	<u>FY10</u>	<u>Variance</u>	<u>Percent</u>	<u>REC Estimate</u>
Total Gross Receipts	5,146.6	4,949.3	(197.3)	-3.8%	-5.7%
Transfers	90.8	44.4	(46.4)	-51.1%	-17.0%
Refunds	(648.2)	(689.7)	(41.5)	6.4%	12.1%
School Infrastructure Transfer	(288.7)	(271.1)	17.6	-6.1%	-5.6%
Net General Fund Revenues	<u>4,300.5</u>	<u>4,032.9</u>	<u>(267.6)</u>	-6.2%	-9.0%

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE MONTH ENDING APRIL 30, 2010  
(\$ MILLIONS)**

**CASH BASIS**

	MONTH OF APRIL		FY10 Over (Under) FY09		FY10 Annual
	FY09	FY10	Dollars	Percent	Est Percent Of Growth
Personal Income Tax	\$315.8	\$306.8	(\$9.0)	-2.8%	-5.8%
Sales/Use Tax	121.7	124.4	2.7	2.2%	-3.8%
Corporate Income Tax	41.9	58.2	16.3	38.9%	-12.8%
Inheritance Tax	3.7	4.9	1.2	32.4%	-9.5%
Insurance Premium Tax	0.1	0.0	(0.1)	0.0%	-6.7%
Cigarette Tax	16.3	17.6	1.3	8.0%	-6.4%
Tobacco Tax	2.6	2.4	(0.2)	-7.7%	-7.4%
Beer Tax	1.1	1.1	0.0	0.0%	-2.0%
Franchise Tax	5.2	5.7	0.5	9.6%	-10.7%
Miscellaneous Tax	0.2	0.4	0.2	100.0%	-45.8%
<b>Total Special Taxes</b>	<b>\$508.6</b>	<b>\$521.5</b>	<b>\$12.9</b>	<b>2.5%</b>	<b>-5.6%</b>
Institutional Payments	1.1	1.0	(0.1)	-9.1%	0.0%
Liquor Transfers:	7.0	7.1	0.1	1.4%	0.0%
Interest	0.4	1.8	1.4	350.0%	-80.8%
Fees	6.9	8.2	1.3	18.8%	-48.0%
Judicial Revenue	11.7	11.9	0.2	1.7%	15.4%
Miscellaneous Receipts	2.5	7.2	4.7	188.0%	-4.5%
Racing and Gaming	0.0	0.0	0.0	0.0%	10.0%
<b>Total Receipts</b>	<b>\$538.2</b>	<b>\$558.7</b>	<b>\$20.5</b>	<b>3.8%</b>	<b>-5.7%</b>
Transfers	\$15.2	\$14.1	(\$1.1)		
<b>Total Rcpts &amp; Transfers</b>	<b>\$553.4</b>	<b>\$572.8</b>	<b>\$19.4</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	(\$37.2)	(\$31.8)	\$5.4		
Refunds	(\$157.9)	(157.4)	0.5		
<b>Total Reductions in GF Receipts</b>	<b>(\$195.1)</b>	<b>(\$189.2)</b>	<b>\$5.9</b>		

Iowa Department of Management  
May 4, 2010

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE TEN MONTHS ENDING APRIL 30, 2010  
(\$ MILLIONS)**

**CASH BASIS**

	TEN MONTHS THROUGH APRIL		FY10 Over (Under) FY09		FY10 Annual Est Percent Of Growth
	FY09	FY10	Dollars	Percent	
Personal Income Tax	\$2,682.6	\$2,601.5	(\$81.1)	-3.0%	-5.8%
Sales/Use Tax	1,883.3	1,836.6	(46.7)	-2.5%	-3.8%
Corporate Income Tax	318.1	306.4	(11.7)	-3.7%	-12.8%
Inheritance Tax	60.9	56.7	(4.2)	-6.9%	-9.5%
Insurance Premium Tax	57.8	47.6	(10.2)	-17.6%	-6.7%
Cigarette Tax	179.4	168.6	(10.8)	-6.0%	-6.4%
Tobacco Tax	19.8	21.3	1.5	7.6%	-7.4%
Beer Tax	12.0	11.9	(0.1)	-0.8%	-2.0%
Franchise Tax	25.2	24.3	(0.9)	-3.6%	-10.7%
Miscellaneous Tax	0.7	(0.6)	(1.3)	-185.7%	-45.8%
<b>Total Special Taxes</b>	<b>\$5,239.8</b>	<b>\$5,074.3</b>	<b>(\$165.5)</b>	<b>-3.2%</b>	<b>-5.6%</b>
Institutional Payments	12.7	12.4	(0.3)	-2.4%	0.0%
Liquor Transfers:	65.6	68.4	2.8	4.3%	0.0%
Interest	14.2	3.7	(10.5)	-73.9%	-80.8%
Fees	67.1	43.0	(24.1)	-35.9%	-48.0%
Judicial Revenue	79.0	87.0	8.0	10.1%	15.4%
Miscellaneous Receipts	30.0	32.7	2.7	9.0%	-4.5%
Racing and Gaming	60.0	66.0	6.0	10.0%	10.0%
<b>Total Receipts</b>	<b>\$5,568.4</b>	<b>\$5,387.5</b>	<b>(\$180.9)</b>	<b>-3.2%</b>	<b>-5.7%</b>
Transfers	\$107.1	\$135.4	\$28.3		
<b>Total Rcpts &amp; Transfers</b>	<b>\$5,675.5</b>	<b>\$5,522.9</b>	<b>(\$152.6)</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	(\$288.7)	(\$306.3)	(\$17.6)		
Refunds	(713.4)	(726.6)	(13.2)		
<b>Total Reductions in GF Receipts</b>	<b>(\$1,002.1)</b>	<b>(\$1,032.9)</b>	<b>(\$30.8)</b>		

Iowa Department of Management  
May 4, 2010