




STATE OF IOWA

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

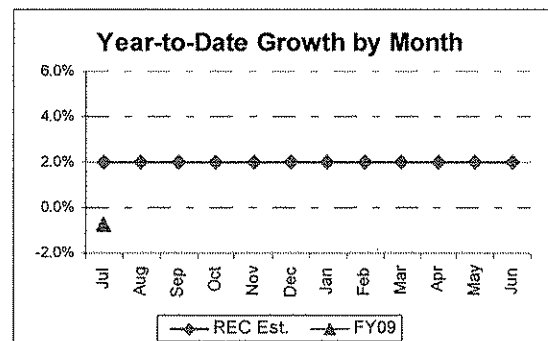
DEPARTMENT OF MANAGEMENT
CHARLES J. KROGMEIER, DIRECTOR

DATE: August 4, 2008
TO: The Honorable Chester J. Culver
The Honorable Patty Judge
FROM: Charles J. Krogmeier, Director
Department of Management 
RE: July 2008 General Fund Receipts

General Fund receipts for July totaled \$407.4 million, which is \$3.0 million or 0.7 percent less than was collected during July 2007. The Revenue Estimating Conference official estimated rate of annual growth is 2.0 percent for 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 or accruals, which could reduce available revenue.

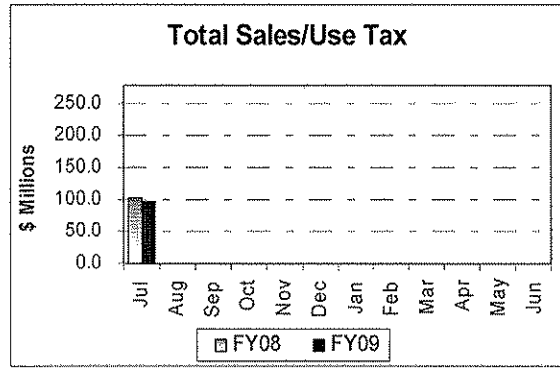
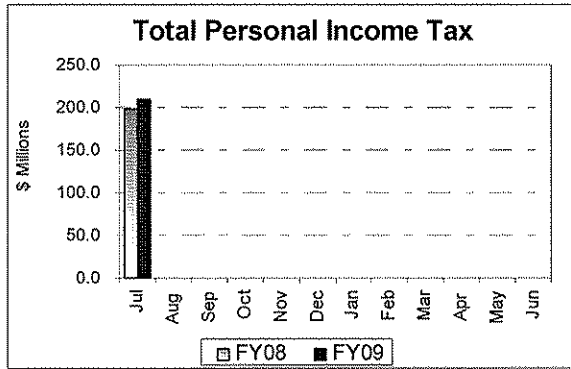
Summary

Fiscal Year 2009 started out with a growth rate of -0.7 percent, but if the additional local option sales tax transfer done in July 2008 did not have to occur to make up for the shortfall of the transfer done in June 2008, growth would have been 1.7 percent, close to the estimated 2.0 percent year-to-date growth.



Personal Income Tax

Personal income tax receipts totaled \$209.1 million during July. This represents \$11.1 million or 5.6 percent more than the receipts of July 2007. Withholding tax receipts increased \$3.2 million or 1.9 percent compared to last year. Estimated payments increased by \$1.0 million or 3.2 percent. Final return payment increased by \$6.9 million. Personal income tax receipts are estimated to grow by 5.6 percent for the year.

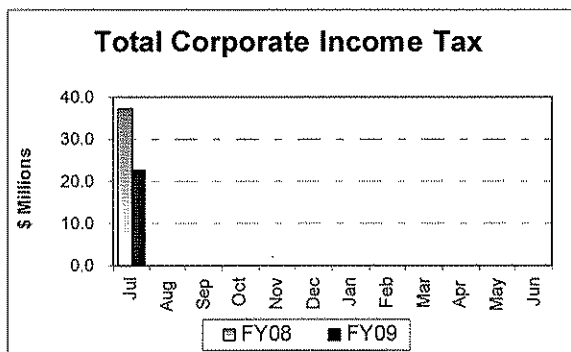


Sales/Use Tax

July sales/use tax receipts totaled \$99.0 million, which represents a decrease of \$4.6 million or 4.4 percent compared to July 2007. July receipts are affected by the last monthly school infrastructure local option transfer which was done in July 2008. The July transfer is \$10 million higher than anticipated to make up for the June 2008 transfer, which was \$10 million lower than anticipated due to an error made on the June transfer. The July transfer is the last one to be made as a new state law changes the school infrastructure local option tax to a state sales tax. If that additional transfer did not take place, sales/use tax would have increased \$5.4 million or 5.2%. The annual estimated rate of sales/use tax growth is 2.7 percent.

Corporate Income Tax

Corporate income tax receipts during July totaled \$22.8 million, which is \$14.4 million or 38.7 percent less than in July 2007. Most of the decrease is attributable a \$8.0 million decrease in accounts receivables for the month due to the settlement of several protests in July 2007. Corporate income tax receipts are estimated to decrease 12.3 percent.



Refunds

For the month of July, \$30.0 million in refunds were issued by the Department of Revenue on a cash basis. This compares to \$21.1 million issued July 2007. Almost all of the Refunds issued in July are for the previous fiscal years. Refunds are estimated to grow at 11.9 percent for Fiscal Year 2008 on an accrual basis.

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE ONE MONTH ENDING JULY 31, 2008
(\$ MILLIONS)**

CASH BASIS

	ONE MONTH THROUGH JULY		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$198.0	\$209.1	\$11.1	5.6%	4.2%
Sales/Use Tax	103.6	99.0	(4.6)	-4.4%	2.7%
Corporate Income Tax	37.2	22.8	(14.4)	-38.7%	-12.3%
Inheritance Tax	7.0	6.2	(0.8)	-11.4%	-3.1%
Insurance Premium Tax	1.0	1.9	0.9	90.0%	13.8%
Cigarette Tax	17.7	21.4	3.7	20.9%	-1.6%
Tobacco Tax	2.1	3.2	1.1	52.4%	-1.4%
Beer Tax	1.4	1.4	0.0	0.0%	0.0%
Franchise Tax	2.7	2.0	(0.7)	-25.9%	0.5%
Miscellaneous Tax	0.1	0.4	0.3	300.0%	0.0%
Total Special Taxes	\$370.8	\$367.4	(\$3.4)	-0.9%	2.3%
Institutional Payments	0.8	1.1	0.3	37.5%	-14.1%
Liquor Transfers:	2.7	5.0	2.3	85.2%	-2.6%
Interest	3.2	0.5	(2.7)	-84.4%	-24.9%
Fees	9.3	5.1	(4.2)	-45.2%	-5.4%
Judicial Revenue	9.1	8.6	(0.5)	-5.5%	0.9%
Miscellaneous Receipts	2.8	7.7	4.9	175.0%	5.0%
Racing and Gaming	11.7	12.0	0.3	2.6%	0.0%
Total Receipts	\$410.4	\$407.4	(\$3.0)	-0.7%	2.0%
Transfers	\$20.9	\$17.3	(\$3.6)		
Total Rcpts & Transfers	\$431.3	\$424.7	(\$6.6)		

Department of Management
August 4, 2008