



STATE OF IOWA

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

DEPARTMENT OF MANAGEMENT
CHARLES J. KROGMEIER, DIRECTOR

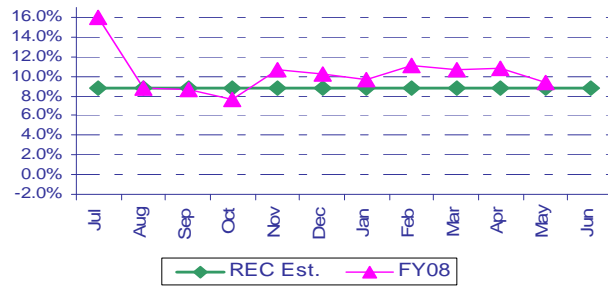
DATE: June 4, 2008
TO: The Honorable Chester J. Culver
The Honorable Patty Judge
FROM: Charles J. Krogmeier, Director
Department of Management *CK*
RE: May 2008 General Fund Receipts

General Fund receipts for May totaled \$853.7 million, which is \$8.7 million or 1.0 percent more than was collected during May 2007. May 2008 had 21 processing days as compared to 24 processing days in May 2007. Fiscal year-to-date, General Fund receipts totaled \$6,141.2 million, an increase of 9.3 percent over the same period last year. The Revenue Estimating Conference official estimated rate of annual growth is 8.8 percent for Fiscal Year 2008. 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

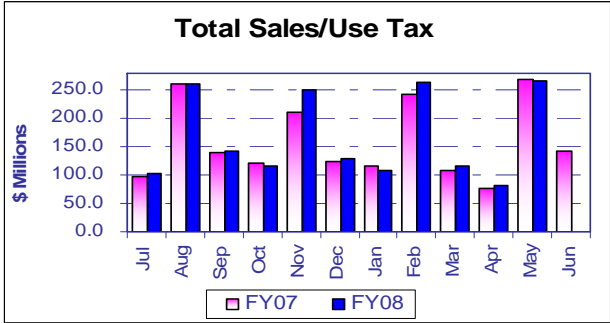
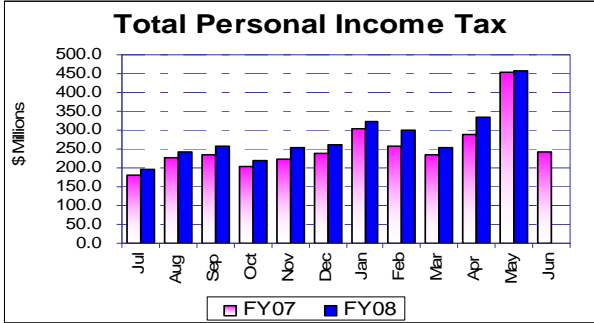
Personal income tax, sales and use tax, corporate income tax and franchise tax led the growth in General Fund receipts to 9.3 percent year-to-date. Insurance premium tax and franchise tax also contributed to the growth. The official estimate rate of growth is currently at 8.8 percent for Fiscal Year 2008.

Year-to-Date Growth by Month



Personal Income Tax

Personal income tax receipts totaled \$457.6 million during May. This represents \$3.4 million or 0.7 percent more than the receipts of May 2007. Withholding tax receipts increased \$14.1 million or 6.1 percent compared to last year. Adjustments were largely due to an increase in accounts receivable receipts of \$8.8 million that had been delayed from April. Estimated payments decreased by \$1.8 million. Final return payment decreased by \$8.9 million. Fiscal year-to-date, personal income tax receipts totaled \$3,094.8 million, an increase of 8.8 percent. Personal income tax receipts are estimated to grow by 8.4 percent for the year.

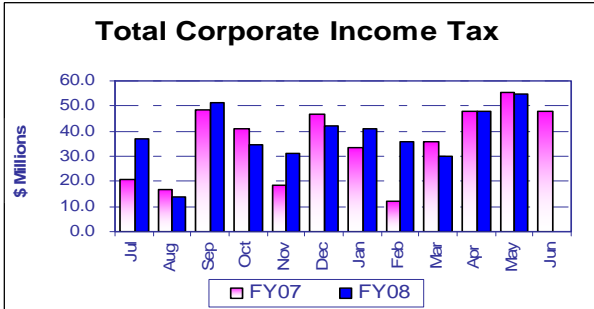


Sales/Use Tax

May sales/use tax receipts totaled \$267.6 million, which represents a decrease of \$3.1 million or 1.1 percent compared to May 2007. Receipts were affected by increases in the amount of school local option and school infrastructure local option distributions. For the fiscal year, sales/use tax receipts totaled \$1,845.6 million, representing an increase of 4.4 percent. The annual estimated rate of sales/use tax growth is 4.7 percent.

Corporate Income Tax

Corporate income tax receipts during May totaled \$54.8 million, which is \$0.3 million or 0.5 percent less than in May 2007. Receipts were affected by a decrease in accounts receivable transfer. For the fiscal year, corporate income tax receipts totaled \$419.8 million or 11.5 percent more than last year. Corporate income tax receipts are estimated to increase at a rate of 10.2 percent.



Cigarette and Tobacco Tax

Receipts from cigarette tax revenue stood at \$19.3 million in May 2008. This represents an increase of \$1.0 million or 5.5 percent over receipts in same month of 2007. Receipts from tobacco tax stood at \$2.1 million. This represents a decrease of \$0.2 million or 8.7 percent over the same month in 2007. These change in rates of growth are due to the adjustments in these taxes that took effect in May 2007. Year-to-date, cigarette and tobacco tax receipts totaled \$207.6 million and \$19.8 million respectively. Cigarette and tobacco tax receipts were estimated to increase at a rate of 86.9 percent and 66.1 percent respectively.

Refunds

For the month of May, \$47.3 million in refunds were issued by the Department of Revenue. This compares to \$53.5 million issued May 2007. For the year, \$571.0 million in refunds have been issued, which is \$49.1 million or 9.4 percent more than were issued last year. Refunds are estimated to grow at 11.9 percent for the fiscal year on an accrual basis.

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

CASH BASIS

	MONTH OF MAY		FY08 Over (Under) FY07		FY08 Annual Est Percent Of Growth
	FY07	FY08	Dollars	Percent	
Personal Income Tax	\$454.2	\$457.6	\$3.4	0.7%	8.4%
Sales/Use Tax	270.7	267.6	(3.1)	-1.1%	4.7%
Corporate Income Tax	55.1	54.8	(0.3)	-0.5%	10.2%
Inheritance Tax	7.4	7.6	0.2	2.7%	0.0%
Insurance Premium Tax	8.6	17.2	8.6	N/A	9.4%
Cigarette Tax	18.3	19.3	1.0	5.5%	86.9%
Tobacco Tax	2.3	2.1	(0.2)	-8.7%	66.1%
Beer Tax	1.1	1.2	0.1	9.1%	1.4%
Franchise Tax	4.3	3.6	(0.7)	-16.3%	7.5%
Miscellaneous Tax	(0.1)	0.2	0.3	-300.0%	0.0%
Total Special Taxes	\$821.9	\$831.2	\$9.3	1.1%	8.9%
Institutional Payments	1.3	1.4	0.1	7.7%	-0.8%
Liquor Transfers:	7.3	7.5	0.2	2.7%	8.8%
Interest	1.4	0.3	(1.1)	-78.6%	-5.9%
Fees	4.1	1.9	(2.2)	-53.7%	-7.0%
Judicial Revenue	6.5	9.0	2.5	38.5%	33.8%
Miscellaneous Receipts	2.5	2.4	(0.1)	-4.0%	5.9%
Racing and Gaming	0.0	0.0	0.0	N/A	0.0%
Total Receipts	\$845.0	\$853.7	\$8.7	1.0%	8.8%
Transfers	\$0.2	\$0.0	(\$0.2)		
Total Rcpts & Transfers	\$845.2	\$853.7	\$8.5		

Iowa Department of Management
June 4, 2008

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE ELEVEN MONTHS ENDING MAY 31, 2008
(\$ MILLIONS)**

CASH BASIS

	ELEVEN MONTHS THROUGH MAY		FY08 Over (Under) FY07		FY08 Annual Est Percent Of Growth
	FY07	FY08	Dollars	Percent	
Personal Income Tax	\$2,843.3	\$3,094.8	\$251.5	8.8%	8.4%
Sales/Use Tax	1,768.3	1,845.6	77.3	4.4%	4.7%
Corporate Income Tax	376.6	419.8	43.2	11.5%	10.2%
Inheritance Tax	70.2	69.8	(0.4)	-0.6%	0.0%
Insurance Premium Tax	79.2	84.7	5.5	6.9%	9.4%
Cigarette Tax	98.3	207.6	109.3	111.2%	86.9%
Tobacco Tax	10.5	19.8	9.3	88.6%	66.1%
Beer Tax	12.8	13.1	0.3	2.3%	1.4%
Franchise Tax	28.6	31.4	2.8	9.8%	7.5%
Miscellaneous Tax	1.3	1.1	(0.2)	-15.4%	0.0%
Total Special Taxes	\$5,289.1	\$5,787.7	\$498.6	9.4%	8.9%
Institutional Payments	11.6	13.4	1.8	15.5%	-0.8%
Liquor Transfers:	57.9	64.8	6.9	11.9%	8.8%
Interest	28.2	24.8	(3.4)	-12.1%	-5.9%
Fees	80.4	76.0	(4.4)	-5.5%	-7.0%
Judicial Revenue	59.9	81.2	21.3	35.6%	33.8%
Miscellaneous Receipts	32.5	33.6	1.1	3.4%	5.9%
Racing and Gaming	59.0	59.7	0.7	1.2%	0.0%
Total Receipts	\$5,618.6	\$6,141.2	\$522.6	9.3%	8.8%
Transfers	\$68.5	\$66.2	(\$2.3)		
Total Rcpts & Transfers	\$5,687.1	\$6,207.4	\$520.3		

Iowa Department of Management
June 4, 2008