



# STATE OF IOWA

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

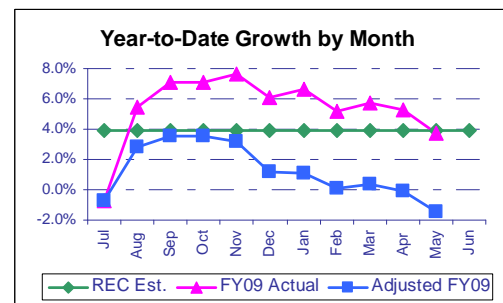
DEPARTMENT OF MANAGEMENT  
CHARLES J. KROGMEIER, DIRECTOR

**DATE:** June 2, 2009  
**TO:** The Honorable Chester J. Culver  
The Honorable Patty Judge  
**FROM:** Charles J. Krogmeier, Director  
Department of Management  
**RE:** May 2009 General Fund Receipts

General Fund receipts for May totaled \$799.4 million, which is \$54.3 million or 6.4 percent less than was collected during May 2008. May 2009 had one less processing day than May 2008. Fiscal year-to-date General Fund receipts totaled \$6.368 billion, an increase of 3.7 percent over the same period last year, which is -0.2 percent below the Revenue Estimating Conference's (REC) official estimated rate of annual growth of 3.9 percent on an unadjusted basis. These figures do not include adjustments for tax refunds, or accruals, which will most likely reduce available revenue, or school infrastructure transfers. Final tax refunds, which will be determined in September, have increased in May.

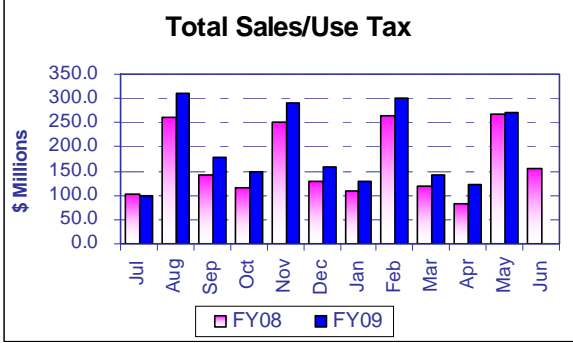
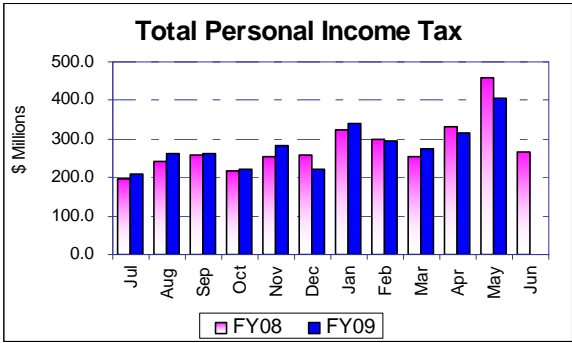
### Summary

**Year-to-date General Fund receipts have grown 3.7 percent compared to the REC estimate of 3.9 percent. Clearly, General Fund receipts have sharply declined in May because of a decline in personal income tax receipts. With only one month left on a cash basis, receipts will be monitored closely for comparison to the REC estimate. It should be noted that final accrual numbers and refunds are not determined until the end of September 2009.**



### Personal Income Tax

Personal income tax receipts totaled \$407.0 million during May. This represents \$50.6 million or 11.1 percent less than the receipts of May 2008. Withholding tax receipts increased \$5.9 million or 2.4 percent compared to last year. Estimated payments decreased by \$8.6 million. Final return payments decreased by \$47.9 million. Fiscal year-to-date, personal income tax receipts totaled \$3.090 billion, a decrease of 0.2 percent. Personal income tax receipts are estimated to grow by 0.1 percent for the year.

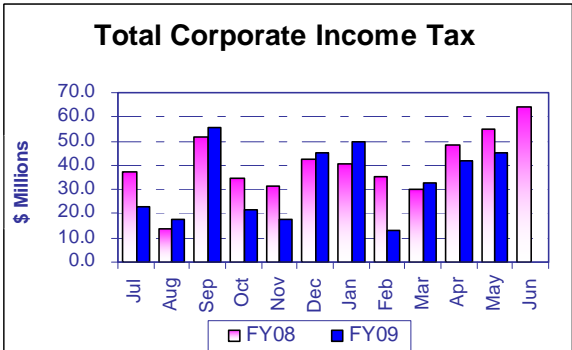


**Sales/Use Tax**

May sales/use tax receipts totaled \$270.2 million, an increase of \$2.6 million or 1.0 percent compared to May 2008. The State sales/use tax was increased 20 percent from 5.0% to 6.0% beginning July 1, 2008, with the increase replacing the School Infrastructure Local Option (SILO) sales tax. Beginning in August 2008, sales/use gross tax receipts are no longer adjusted for SILO sales tax payments to school districts. This adjustment is now made in the same manner as refunds are made, through a standing unlimited appropriation from the General Fund. The May adjustment for school infrastructure transfer was \$30.8 million. For the fiscal year, sales/use tax receipts totaled \$2.154 billion or 16.7 percent more than last year, compared to the estimate of increase of 17.7 percent.

**Corporate Income Tax**

Corporate income tax receipts during May totaled \$44.9 million, which is \$9.9 million or 18.1 percent less than in May 2008. For the fiscal year, corporate income tax receipts totaled \$363.0 million or 13.5 percent less than last year. The REC estimated that corporate income tax receipts would decrease at a rate of 15.8 percent.



**Refunds**

For the month of May, \$62.2 million in refunds were issued by the Department of Revenue on a cash basis. This compares to \$47.3 million issued May 2008. Year-to-date refunds issued on a cash basis are \$775.6 million compared to \$620.4 million for the same period last year. The REC estimated that refunds would to grow at 12.6 percent on an accrual basis to 760.0 million in Fiscal Year 2009.

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE MONTH ENDING MAY 31, 2009  
(\$ MILLIONS)**

**CASH BASIS**

	MONTH OF MAY		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$457.6	\$407.0	(\$50.6)	-11.1%	0.1%
Sales/Use Tax	267.6	270.2	2.6	1.0%	17.7%
Corporate Income Tax	54.8	44.9	(9.9)	-18.1%	-15.8%
Inheritance Tax	7.6	7.7	0.1	1.3%	0.0%
Insurance Premium Tax	17.2	16.9	(0.3)	100.0%	1.1%
Cigarette Tax	19.3	17.7	(1.6)	-8.3%	-5.4%
Tobacco Tax	2.1	1.8	(0.3)	-14.3%	2.8%
Beer Tax	1.2	1.2	0.0	0.0%	1.4%
Franchise Tax	3.6	3.3	(0.3)	-8.3%	-10.9%
Miscellaneous Tax	0.2	0.2	0.0	0.0%	0.0%
<b>Total Special Taxes</b>	<b>\$831.2</b>	<b>\$770.9</b>	<b>(\$60.3)</b>	<b>-7.3%</b>	<b>4.2%</b>
Institutional Payments	1.4	1.6	0.2	14.3%	-8.1%
Liquor Transfers:	7.5	7.5	0.0	0.0%	12.7%
Interest	0.3	0.3	0.0	0.0%	-41.9%
Fees	1.9	6.2	4.3	226.3%	-12.8%
Judicial Revenue	9.0	10.3	1.3	14.4%	3.7%
Miscellaneous Receipts	2.4	2.6	0.2	8.3%	9.4%
Racing and Gaming	0.0	0.0	0.0	100.0%	0.0%
<b>Total Gross Tax and Other Receipts</b>	<b>\$853.7</b>	<b>\$799.4</b>	<b>(\$54.3)</b>	<b>-6.4%</b>	<b>3.9%</b>
Transfers	\$0.0	\$0.0	\$0.0		
<b>Total Gross Tax and Other Rcpts &amp; Transfers</b>	<b>\$853.7</b>	<b>\$799.4</b>	<b>(\$54.3)</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	\$0.0	(\$30.8)	(\$30.8)		
Refunds	(\$47.3)	(\$62.2)	(\$14.9)		
<b>Total Reductions in GF Receipts</b>	<b>(\$47.3)</b>	<b>(\$93.0)</b>	<b>(\$45.7)</b>		

Iowa Department of Management  
June 3, 2009

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE ELEVEN MONTHS ENDING MAY 31, 2009  
(\$ MILLIONS)**

**CASH BASIS**

	ELEVEN MONTHS THROUGH MAY		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$3,094.8	\$3,089.6	(\$5.2)	-0.2%	0.1%
Sales/Use Tax	1,845.6	2,153.5	307.9	16.7%	17.7%
Corporate Income Tax	419.8	363.0	(56.8)	-13.5%	-15.8%
Inheritance Tax	69.8	68.6	(1.2)	-1.7%	0.0%
Insurance Premium Tax	84.7	74.7	(10.0)	-11.8%	1.1%
Cigarette Tax	207.6	197.1	(10.5)	-5.1%	-5.4%
Tobacco Tax	19.8	21.6	1.8	9.1%	2.8%
Beer Tax	13.1	13.2	0.1	0.8%	1.4%
Franchise Tax	31.4	28.5	(2.9)	-9.2%	-10.9%
Miscellaneous Tax	1.1	0.9	(0.2)	-18.2%	0.0%
<b>Total Special Taxes</b>	<b>\$5,787.7</b>	<b>\$6,010.7</b>	<b>\$223.0</b>	<b>3.9%</b>	<b>4.2%</b>
Institutional Payments	13.4	14.3	0.9	6.7%	-8.1%
Liquor Transfers:	64.8	73.1	8.3	12.8%	12.7%
Interest	24.8	14.5	(10.3)	-41.5%	-41.9%
Fees	76.0	73.3	(2.7)	-3.6%	-12.8%
Judicial Revenue	81.2	89.3	8.1	10.0%	3.7%
Miscellaneous Receipts	33.6	32.6	(1.0)	-3.0%	9.4%
Racing and Gaming	59.7	60.0	0.3	0.5%	0.0%
<b>Total Gross Tax and Other Receipts</b>	<b>\$6,141.2</b>	<b>\$6,367.8</b>	<b>\$226.6</b>	<b>3.7%</b>	<b>3.9%</b>
Transfers	\$66.2	\$107.1	\$40.9		
<b>Total Gross Tax and Other Rcpts &amp; Transfers</b>	<b>\$6,207.4</b>	<b>\$6,474.9</b>	<b>\$267.5</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	\$0.0	(\$319.5)	(\$319.5)		
Refunds	(620.4)	(775.6)	(155.2)		
<b>Total Reductions in GF Receipts</b>	<b>(\$620.4)</b>	<b>(\$1,095.1)</b>	<b>(\$474.7)</b>		

Iowa Department of Management  
June 3, 2009