

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

DEPARTMENT OF MANAGEMENT  
CHARLES J. KROGMEIER, DIRECTOR

**DATE:** December 3, 2008

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

**FR:** Charles J. Krogmeier, Director  
Department of Management

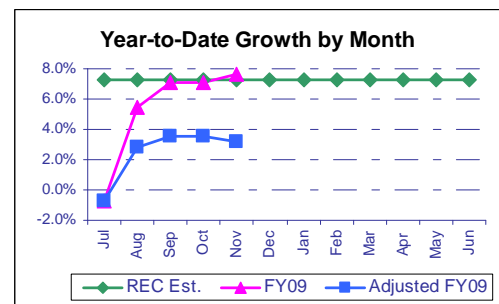
**RE:** November 2008 General Fund Receipts



General Fund receipts for November totaled \$647.1 million, which is \$54.6 million or 9.2 percent more than was collected during November 2007. Fiscal year-to-date, General Fund receipts totaled \$2,800.9 million, an increase of 7.6 percent over the same period last year. November 2008 had 17 processing days as compared to 19 for November 2007. The Revenue Estimating Conference official estimated rate of annual growth is 7.3 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 school infrastructure transfers, tax refunds or accruals, which could reduce available revenue.

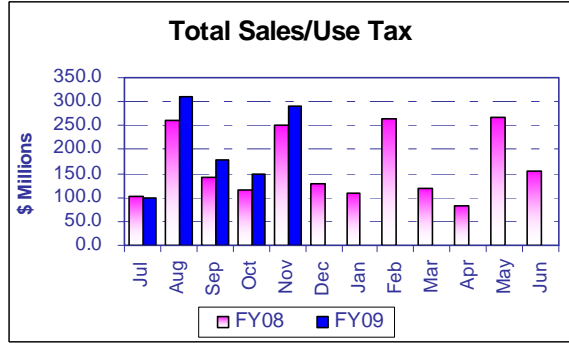
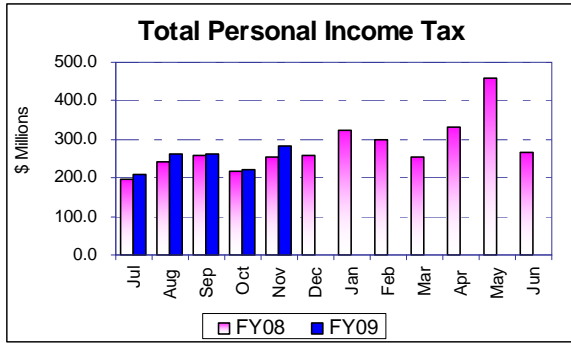
### Summary

**Growth due to the increase in sales/use tax from 5.0% to 6.0%, replacing the school infrastructure local option (SILO) tax, and growth in personal income tax is offset by the slowdown in corporate income tax. Year-to-date growth is at 7.6% compared to the estimate of 7.3%. If the transfer to the school infrastructure program is included for a comparison, the year-to-date growth rate would be 3.2%. The estimate will be reconsidered when the REC meets again on December 12.**



### Personal Income Tax

Personal income tax receipts totaled \$281.6 million during November. This represents \$29.5 million or 11.7 percent more than the receipts of November 2007. Withholding tax receipts increased \$33.4 million or 14.0 percent compared to last year. Estimated payments decreased by \$0.3 million or 11.1 percent. Final return payment decreased by \$3.6 million. Fiscal year-to-date, personal income tax receipts totaled \$1,235.6 million, an increase of 5.8 percent. Personal income tax receipts are estimated to grow by 2.8 percent for the year.

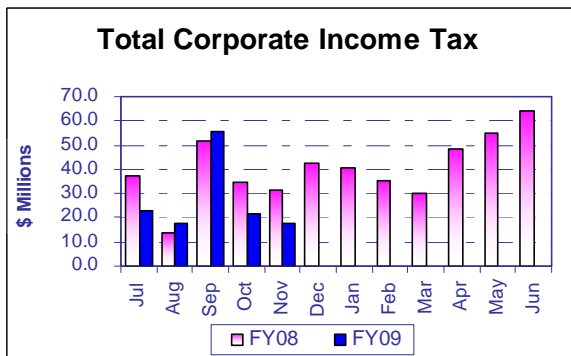


**Sales/Use Tax**

November sales/use tax receipts totaled \$290.0 million, which represents an increase of \$39.7 million or 15.9 percent compared to November 2007. The State sales/use tax was increased 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 November adjustment for school infrastructure transfer was \$28.4 million in November. For the fiscal year, sales/use tax receipts totaled \$1,028.7 million or 17.7 percent more than last year, compared to the estimate of increase of 22.9 percent.

**Corporate Income Tax**

Corporate income tax receipts during November totaled \$17.7 million, which is \$13.4 million or 43.1 percent less than in November 2007. For the fiscal year, corporate income tax receipts totaled \$135.7 million or 19.4 percent less than last year. Corporate income tax receipts are estimated to decrease at a rate of 9.7 percent.



**Refunds**

For the month of November, \$31.1 million in refunds were issued by the Department of Revenue on a cash basis. This compares to \$26.3 million issued November 2007. Year-to-date refunds issued are \$169.4 million compared to \$129.9 million for the same period last year. Refunds are estimated for Fiscal Year 2009 to grow at 8.3 percent on an accrual basis.

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE MONTH ENDING NOVEMBER 30, 2008  
(\$ MILLIONS)**

**CASH BASIS**

	MONTH OF NOVEMBER		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$252.1	\$281.6	\$29.5	11.7%	2.8%
Sales/Use Tax	250.3	290.0	39.7	15.9%	22.9%
Corporate Income Tax	31.1	17.7	(13.4)	-43.1%	-9.7%
Inheritance Tax	8.1	5.9	(2.2)	-27.2%	2.0%
Insurance Premium Tax	0.0	1.0	1.0	100.0%	2.5%
Cigarette Tax	20.5	16.6	(3.9)	-19.0%	-2.4%
Tobacco Tax	2.1	1.6	(0.5)	-23.8%	4.2%
Beer Tax	1.2	1.1	(0.1)	-8.3%	-0.7%
Franchise Tax	0.1	0.1	0.0	0.0%	-14.4%
Miscellaneous Tax	0.2	0.1	(0.1)	-50.0%	0.0%
<b>Total Special Taxes</b>	<b>\$565.7</b>	<b>\$615.7</b>	<b>\$50.0</b>	<b>8.8%</b>	<b>7.9%</b>
Institutional Payments	1.4	0.7	(0.7)	-50.0%	-10.1%
Liquor Transfers:	5.5	12.2	6.7	121.8%	3.0%
Interest	4.7	2.5	(2.2)	-46.8%	-52.6%
Fees	4.2	4.4	0.2	4.8%	-12.2%
Judicial Revenue	8.5	9.0	0.5	5.9%	15.6%
Miscellaneous Receipts	2.5	2.7	0.2	8.0%	5.5%
Racing and Gaming	0.0	(0.1)	(0.1)	100.0%	0.0%
<b>Total Gross Tax and Other Receipts</b>	<b>\$592.5</b>	<b>\$647.1</b>	<b>\$54.6</b>	<b>9.2%</b>	<b>7.3%</b>
Transfers	\$0.3	\$0.1	(\$0.2)		
<b>Total Gross Tax and Other Rcpts &amp; Transfers</b>	<b>\$592.8</b>	<b>\$647.2</b>	<b>\$54.4</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	\$0.0	(\$28.4)	(\$28.4)		
Refunds	(\$26.3)	(\$31.1)	(\$4.8)		
<b>Total Reductions in GF Receipts</b>	<b>(\$26.3)</b>	<b>(\$59.5)</b>	<b>(\$33.2)</b>		

Iowa Department of Management  
December 3, 2008

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE FIVE MONTHS ENDING NOVEMBER 30, 2008  
(\$ MILLIONS)**

**CASH BASIS**

	FIVE MONTHS THROUGH NOVEMBER		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$1,168.4	\$1,235.6	\$67.2	5.8%	2.8%
Sales/Use Tax	874.2	1,028.7	154.5	17.7%	22.9%
Corporate Income Tax	168.3	135.7	(32.6)	-19.4%	-9.7%
Inheritance Tax	31.7	36.6	4.9	15.5%	2.0%
Insurance Premium Tax	52.4	49.2	(3.2)	-6.1%	2.5%
Cigarette Tax	99.7	98.0	(1.7)	-1.7%	-2.4%
Tobacco Tax	9.2	10.4	1.2	13.0%	4.2%
Beer Tax	6.5	6.6	0.1	1.5%	-0.7%
Franchise Tax	11.0	10.0	(1.0)	-9.1%	-14.4%
Miscellaneous Tax	0.4	0.3	(0.1)	-25.0%	0.0%
<b>Total Special Taxes</b>	<b>\$2,421.8</b>	<b>\$2,611.1</b>	<b>\$189.3</b>	<b>7.8%</b>	<b>7.9%</b>
Institutional Payments	6.0	5.7	(0.3)	-5.0%	-10.1%
Liquor Transfers:	25.8	34.1	8.3	32.2%	3.0%
Interest	12.9	8.3	(4.6)	-35.7%	-52.6%
Fees	29.9	28.2	(1.7)	-5.7%	-12.2%
Judicial Revenue	33.7	35.5	1.8	5.3%	15.6%
Miscellaneous Receipts	13.6	18.0	4.4	32.4%	5.5%
Racing and Gaming	60.0	60.0	0.0	0.0%	0.0%
<b>Total Gross Tax and Other Receipts</b>	<b>\$2,603.7</b>	<b>\$2,800.9</b>	<b>\$197.2</b>	<b>7.6%</b>	<b>7.3%</b>
Transfers	\$37.3	\$29.9	(\$7.4)		
<b>Total Gross Tax and Other Rcpts &amp; Transfers</b>	<b>\$2,641.0</b>	<b>\$2,830.8</b>	<b>\$189.8</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	\$0.0	(\$114.9)	(\$114.9)		
Refunds	(129.9)	(169.4)	(39.5)		
<b>Total Reductions in GF Receipts</b>	<b>(\$129.9)</b>	<b>(\$284.3)</b>	<b>(\$154.4)</b>		

Iowa Department of Management  
December 3, 2008