




# STATE OF IOWA

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

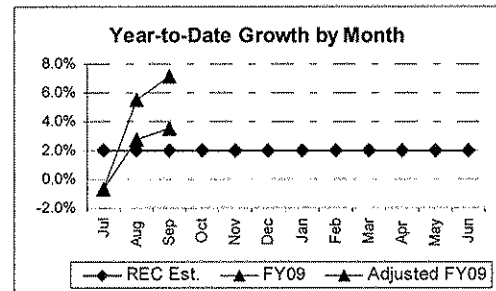
DEPARTMENT OF MANAGEMENT  
CHARLES J. KROGMEIER, DIRECTOR

DATE: October 3, 2008  
TO: The Honorable Chester J. Culver  
The Honorable Patty Judge  
FROM: Charles J. Krogmeier, Director   
Department of Management  
RE: September 2008 General Fund Receipts

General Fund receipts for September totaled \$578.1 million, which is \$54.8 million or 10.5 percent more than was collected during September 2007. September 2008 had 21 processing days as compared to 19 processing days in September 2007. Fiscal year-to-date, General Fund receipts totaled \$1,696.0 million, an increase of 7.1 percent over the same period last year. 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.

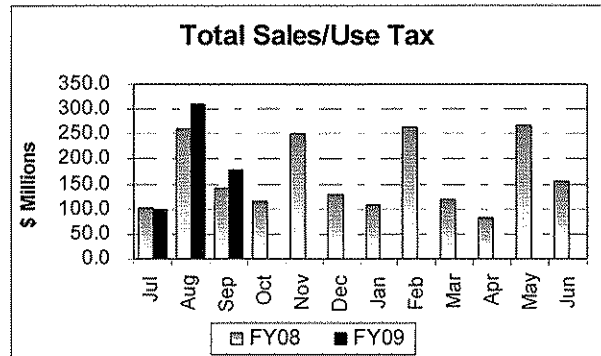
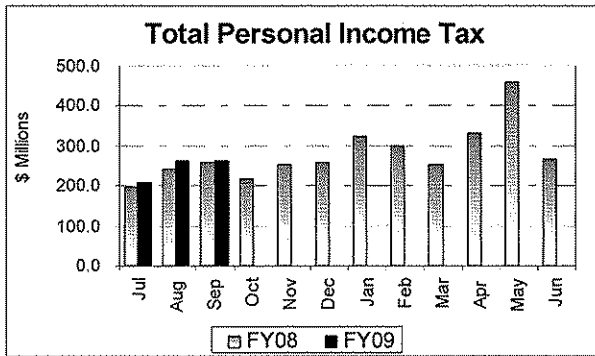
### Summary

**Growth in personal income tax, the increase in sales/use tax from 5.0% to 6.0%, and the replacement of the school infrastructure local option (SILO) tax helped drive year-to-date growth to 7.1%. If the transfer to the state-wide school infrastructure program is included for a comparison, the year-to-date growth rate would be 3.5%. The current estimate of 2.0% does not take into account the law change for SILO and will be considered when the Revenue Estimating Conference meets again October 9.**



### Personal Income Tax

Personal income tax receipts totaled \$260.4 million during September. This represents \$2.6 million or 1.0 percent more than the receipts of September 2007. Withholding tax receipts decreased \$0.1 million or 0.5 percent compared to last year. Estimated payments increased by \$9.7 million or 17.4 percent. Final return payment decreased by \$6.0 million. Fiscal year-to-date, personal income tax receipts totaled \$733.4 million, an increase of 5.1 percent. Personal income tax receipts are estimated to grow by 4.2 percent for the year.



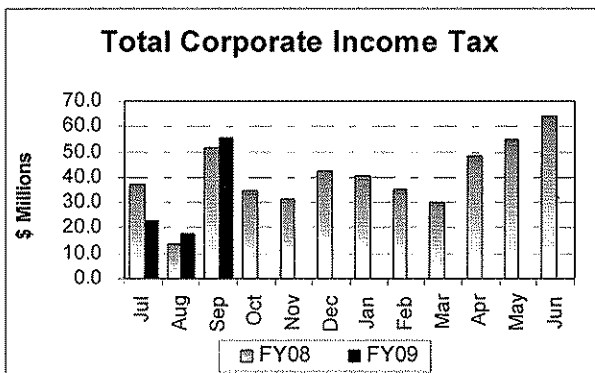
**Sales/Use Tax**

September sales/use tax receipts totaled \$179.6 million, which represents an increase of \$36.1 million or 25.2 percent compared to September 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 September adjustment for school infrastructure transfer was \$28.8 in September.

The increase sales/use tax is not currently reflected in the Revenue Estimating Conference (REC) estimate. The REC estimate for FY2009 sales/use tax is for an increase of 2.7 percent. Through September, total sales/use tax has grown \$588.6 million or 15.9 percent. If adjusted for the school infrastructure transfer growth in sales/use tax would be 4.5%

**Corporate Income Tax**

Corporate income tax receipts during September totaled \$55.9 million, which is \$4.5 million or 8.8 percent more than in September 2007. For the fiscal year, corporate income tax receipts totaled \$96.2 million or 6.1 percent less than last year. Corporate income tax receipts are estimated to decrease at a rate of 12.3 percent.



### Refunds

For the month of September, \$29.8 million in refunds were issued by the Department of Revenue on a cash basis. This compares to \$24.6 million issued September 2007. Year-to-date refunds issued have been \$94.8 million compared to \$76.7 million for the same period last year. Refunds are estimated for Fiscal Year 2009 to grow at 8.2 percent on an accrual basis.

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

**CASH BASIS**

	MONTH OF SEPTEMBER		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$257.8	\$260.4	\$2.6	1.0%	4.2%
Sales/Use Tax	143.5	179.6	36.1	25.2%	2.7%
Corporate Income Tax	51.4	55.9	4.5	8.8%	-12.3%
Inheritance Tax	4.7	6.9	2.2	46.8%	-3.1%
Insurance Premium Tax	0.3	0.0	(0.3)	-100.0%	13.8%
Cigarette Tax	15.3	18.7	3.4	22.2%	-1.6%
Tobacco Tax	2.0	1.6	(0.4)	-20.0%	-1.4%
Beer Tax	1.5	1.5	0.0	0.0%	0.0%
Franchise Tax	4.6	4.1	(0.5)	-10.9%	0.5%
Miscellaneous Tax	0.0	0.5	0.5	-100.0%	0.0%
<b>Total Special Taxes</b>	<b>\$481.1</b>	<b>\$529.2</b>	<b>\$48.1</b>	<b>10.0%</b>	<b>2.3%</b>
Institutional Payments	1.2	1.5	0.3	25.0%	-14.1%
Liquor Transfers:	3.9	10.3	6.4	164.1%	-2.6%
Interest	1.6	1.2	(0.4)	-25.0%	-24.9%
Fees	5.5	3.7	(1.8)	-32.7%	-5.4%
Judicial Revenue	6.2	6.7	0.5	8.1%	0.9%
Miscellaneous Receipts	3.1	2.5	(0.6)	-19.4%	5.0%
Racing and Gaming	20.7	23.0	2.3	11.1%	0.0%
<b>Total Receipts</b>	<b>\$523.3</b>	<b>\$578.1</b>	<b>\$54.8</b>	<b>10.5%</b>	<b>2.0%</b>
Transfers	\$0.7	(\$0.6)	(\$1.3)		
<b>Total Rcpts &amp; Transfers</b>	<b>\$524.0</b>	<b>\$577.5</b>	<b>\$53.5</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	\$0.0	(\$28.8)	(\$28.8)		
Refunds	(\$24.6)	(\$29.8)	(\$5.2)		
<b>Total Reductions in GF Receipts</b>	<b>(\$24.6)</b>	<b>(\$58.6)</b>	<b>(\$34.0)</b>		

Iowa Department of Management  
October 3, 2008

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

**CASH BASIS**

	THREE MONTHS THROUGH SEPTEMBER		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$697.6	\$733.4	\$35.8	5.1%	4.2%
Sales/Use Tax	507.8	588.6	80.8	15.9%	2.7%
Corporate Income Tax	102.4	96.2	(6.2)	-6.1%	-12.3%
Inheritance Tax	18.3	21.7	3.4	18.6%	-3.1%
Insurance Premium Tax	52.4	48.1	(4.3)	-8.2%	13.8%
Cigarette Tax	57.9	60.4	2.5	4.3%	-1.6%
Tobacco Tax	5.8	6.2	0.4	6.9%	-1.4%
Beer Tax	4.2	4.4	0.2	4.8%	0.0%
Franchise Tax	7.4	6.2	(1.2)	-16.2%	0.5%
Miscellaneous Tax	0.1	0.6	0.5	500.0%	0.0%
<b>Total Special Taxes</b>	<b>\$1,453.9</b>	<b>\$1,565.8</b>	<b>\$111.9</b>	<b>7.7%</b>	<b>2.3%</b>
Institutional Payments	3.5	3.9	0.4	11.4%	-14.1%
Liquor Transfers:	13.7	15.3	1.6	11.7%	-2.6%
Interest	5.2	4.2	(1.0)	-19.2%	-24.9%
Fees	21.7	19.4	(2.3)	-10.6%	-5.4%
Judicial Revenue	16.4	16.6	0.2	1.2%	0.9%
Miscellaneous Receipts	8.8	12.9	4.1	46.6%	5.0%
Racing and Gaming	59.7	57.9	(1.8)	-3.0%	0.0%
<b>Total Receipts</b>	<b>\$1,582.9</b>	<b>\$1,696.0</b>	<b>\$113.1</b>	<b>7.1%</b>	<b>2.0%</b>
Transfers	\$21.6	\$16.7	(\$4.9)		
<b>Total Rcpts &amp; Transfers</b>	<b>\$1,604.5</b>	<b>\$1,712.7</b>	<b>\$108.2</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	\$0.0	(\$57.7)	(\$57.7)		
Refunds	(76.7)	(94.8)	(18.1)		
<b>Total Reductions in GF Receipts</b>	<b>(\$76.7)</b>	<b>(\$152.5)</b>	<b>(\$75.8)</b>		

Iowa Department of Management  
October 3, 2008