




STATE OF IOWA

KIM REYNOLDS, GOVERNOR
ADAM GREGG, LT. GOVERNOR

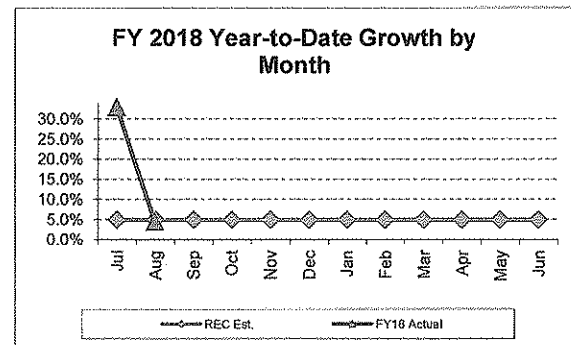
DEPARTMENT OF MANAGEMENT
David Roederer, Director

DATE: September 5, 2017
TO: The Honorable Kim Reynolds
The Honorable Adam Gregg
FROM: David Roederer, Director 
Department of Management
RE: August 2017 General Fund Receipts

Gross General Fund receipts for August 2017 totaled \$709.7 million, a decrease of 12.6 percent over the same period last year. Fiscal year-to-date, gross General Fund receipts totaled \$1,353.3 million or 4.4 percent. The estimate for FY2018 is 4.9 percent.

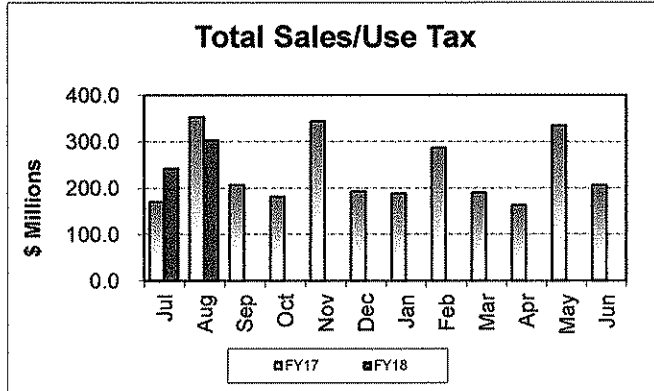
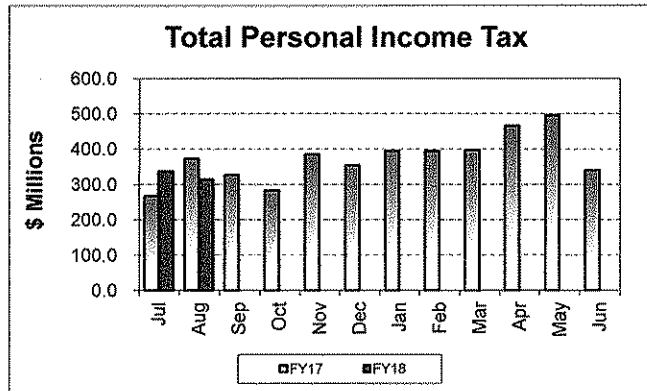
Summary

Fiscal year-to-date gross receipts on a cash basis are 4.4 percent more compared to August 2016. The current estimate for Fiscal Year 2018 is a growth rate of 4.9 percent for gross receipts on a cash basis.



Personal Income Tax

Personal income tax receipts totaled \$314.8 million during August 2017. This is \$57.7 million or 15.5 percent less than the receipts of August 2016. Withholding tax receipts decreased \$57.9 million or 16.2 percent compared to last year. The second quarter due date for quarterly withholding payments is July 31, but last year it was pushed to August 1 because July 31 was a Sunday. This year \$73.6 million was deposited July 31 whereas \$116.5 million was deposited in the first three days of August last year. This timing effect more than explains the decline this August. Estimated payments increased \$0.4 million compared to last year. Final return payments decreased \$0.2 million. Fiscal year-to-date, personal income tax receipts totaled \$652.6 million, an increase of 2.0 percent. The estimate for personal income tax for Fiscal Year 2018 is for an increase of 6.1 percent.

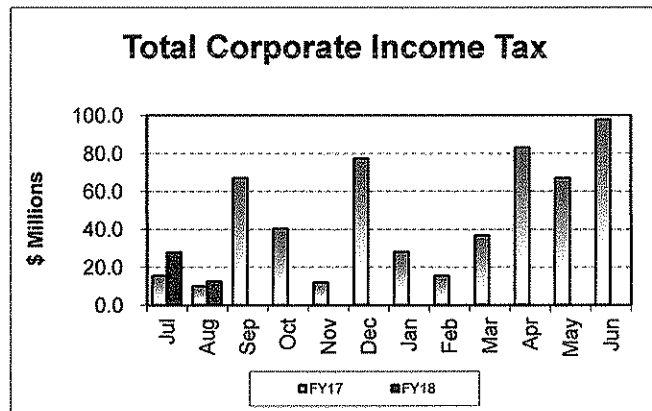


Sales/Use Tax

August sales/use tax receipts totaled \$303.7 million, which represents a decrease of \$49.0 million or -13.9 percent over August 2016. The due date for second quarter retail sales returns is July 31 but last year it fell on August 1 because July 31 was a Sunday. This year \$55.3 million was deposited July 31 whereas \$155.9 million was deposited in the first three days of August last year. Fiscal year-to-date, sales/use tax receipts totaled \$545.4 million, an increase of \$22.9 million or 4.4 percent compared to the same period last year. The estimate for sales/use tax for Fiscal Year 2018 is for an increase of 6.0 percent.

Corporate Income Tax

Corporate income tax receipts during August totaled \$12.6 million, which is \$2.5 million or 24.8 percent more than in August 2016. Fiscal year-to-date corporate income tax receipts totaled \$40.4 million, an increase of \$14.8 million or 57.8 percent. The estimate for corporate income tax for Fiscal Year 2018 is for a decrease of 4.4 percent.



Refunds

For the month of August, the Department of Revenue issued \$15.2 million in refunds on a cash basis. This compares to \$6.6 million issued August 2016. For the fiscal year-to-date, total refunds issued on a cash basis were \$42.3 million. This compares to \$59.1 million issued at this time last year.

FY 2017 Year-to-Date Net General Fund Receipts on an Accrual Basis

As can be seen from the chart below, year-to-date net General Fund receipts have increased 1.6 percent which is below the REC estimate of 2.7 percent. We will update this table monthly until the State's books are closed at the end of September 2017.

Net General Fund Receipts

Accrual Basis

Through August 31, 2017

| | <u>FY16</u> | <u>FY17</u> | <u>Variance</u> | <u>Percent</u> | <u>Adjusted Estimate</u> |
|---------------------------------|----------------|----------------|-----------------|----------------|--------------------------|
| Total Gross Receipts | 7,690.2 | 7,831.7 | 141.5 | 1.8% | 2.9% |
| Transfers | 126.4 | 128.0 | 1.6 | 1.3% | -4.1% |
| Refunds | (1,018.3) | (1,059.8) | (41.5) | 4.1% | 4.2% |
| School Infrastructure Transfer | (466.7) | (468.7) | (2.0) | 0.4% | 1.4% |
| Net General Fund Revenues | <u>6,331.6</u> | <u>6,431.2</u> | <u>99.6</u> | 1.6% | 2.7% |
| Transfer from Cash Reserve Fund | - | 131.1 | 131.1 | | |
| Net General Fund Revenues | <u>6,331.6</u> | <u>6,562.3</u> | <u>230.7</u> | | |

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE MONTH ENDING AUGUST 31, 2017
(\$ MILLIONS)**

CASH BASIS

| | MONTH OF AUGUST | | FY18 Over (Under) FY17 | | FY18 Annual Est Percent Of Growth |
|--|--------------------|-----------------|---------------------------|---------------|---|
| | FY17 | FY18 | Dollars | Percent | |
| Personal Income Tax | \$372.5 | \$314.8 | (\$57.7) | -15.5% | 6.1% |
| Sales/Use Tax | 352.7 | 303.7 | (49.0) | -13.9% | 6.0% |
| Corporate Income Tax | 10.1 | 12.6 | 2.5 | 24.8% | -4.4% |
| Inheritance Tax | 6.8 | 8.2 | 1.4 | 20.6% | 7.9% |
| Insurance Premium Tax | 52.7 | 53.0 | 0.3 | 100.0% | 5.7% |
| Beer Tax | 1.3 | 1.2 | (0.1) | -7.7% | 2.9% |
| Franchise Tax | 0.4 | 0.1 | (0.3) | -75.0% | -0.7% |
| Miscellaneous Tax | 0.0 | 0.0 | 0.0 | 0.0% | -7.1% |
| Total Special Taxes | \$796.5 | \$693.6 | (\$102.9) | -12.9% | -5.3% |
| Institutional Payments | 0.9 | 0.9 | 0.0 | 0.0% | -29.3% |
| Liquor Transfers: | 7.6 | 9.2 | 1.6 | 21.1% | -1.8% |
| Interest | 0.2 | 0.1 | (0.1) | -50.0% | 68.2% |
| Fees | 3.0 | 2.8 | (0.2) | -100.0% | -0.8% |
| Judicial Revenue | 1.3 | 1.0 | (0.3) | -23.1% | 3.6% |
| Miscellaneous Receipts | 2.2 | 2.1 | (0.1) | -4.5% | -29.0% |
| Total Receipts | \$811.7 | \$709.7 | (\$102.0) | -12.6% | 4.9% |
| Transfers | \$30.0 | \$7.1 | (\$22.9) | | |
| Total Rcpts & Transfers | \$841.7 | \$716.8 | (\$124.9) | | |
| Reductions in General Fund Receipts | | | | | |
| School Infrastructure Transfer | (\$44.7) | (\$39.6) | \$5.1 | | |
| Refunds | (\$6.6) | (\$15.2) | (\$8.6) | | |
| Total Reductions in GF Receipts | (\$51.3) | (\$54.8) | (\$3.5) | | |

Iowa Department of Management
September 5, 2017

**GENERAL FUND RECEIPTS STATEMENT
FOR THE TWO MONTHS ENDING AUGUST 31, 2017
(\$ MILLIONS)**

CASH BASIS

| | TWO MONTHS THROUGH AUGUST | | FY18 Over (Under) FY17 | | FY18 Annual Est Percent Of Growth |
|--|------------------------------|------------------|---------------------------|-------------|---|
| | FY17 | FY18 | Dollars | Percent | |
| Personal Income Tax | \$639.6 | \$652.6 | \$13.0 | 2.0% | 6.1% |
| Sales/Use Tax | 522.5 | 545.4 | 22.9 | 4.4% | 6.0% |
| Corporate Income Tax | 25.6 | 40.4 | 14.8 | 57.8% | -4.4% |
| Inheritance Tax | 13.6 | 15.5 | 1.9 | 14.0% | 7.9% |
| Insurance Premium Tax | 53.1 | 53.3 | 0.2 | 0.4% | 5.7% |
| Beer Tax | 2.8 | 2.7 | (0.1) | -3.6% | 2.9% |
| Franchise Tax | 1.6 | 1.5 | (0.1) | -6.3% | -0.7% |
| Miscellaneous Tax | 0.0 | 0.0 | 0.0 | 100.0% | -7.1% |
| Total Special Taxes | \$1,258.8 | \$1,311.4 | \$52.6 | 4.2% | 5.3% |
| Institutional Payments | 1.9 | 2.2 | 0.3 | 15.8% | -29.3% |
| Liquor Transfers: | 17.5 | 18.3 | 0.8 | 4.6% | -1.8% |
| Interest | 0.3 | 0.2 | (0.1) | -33.3% | 68.2% |
| Fees | 3.7 | 4.7 | 1.0 | 27.0% | -0.8% |
| Judicial Revenue | 6.3 | 6.6 | 0.3 | 4.8% | 3.6% |
| Miscellaneous Receipts | 7.4 | 9.9 | 2.5 | 33.8% | -29.0% |
| Total Receipts | \$1,295.9 | \$1,353.3 | \$57.4 | 4.4% | 4.9% |
| Transfers | \$51.3 | \$29.7 | (\$21.6) | | |
| Total Rcpts & Transfers | \$1,347.2 | \$1,383.0 | \$35.8 | | |
| Reductions in General Fund Receipts | | | | | |
| School Infrastructure Transfer | (\$84.4) | (\$80.5) | \$3.9 | | |
| Refunds | (59.1) | (42.3) | 16.8 | | |
| Total Reductions in GF Receipts | (\$143.5) | (\$122.8) | \$20.7 | | |

Iowa Department of Management
September 5, 2017