



STATE OF IOWA

KIM REYNOLDS, GOVERNOR
ADAM GREGG, LT. GOVERNOR

DEPARTMENT OF MANAGEMENT
Michael Boussetot, Director

DATE: August 3, 2021

TO: The Honorable Kim Reynolds
The Honorable Adam Gregg

FROM: Michael Boussetot, Director *Michael Boussetot*
Department of Management

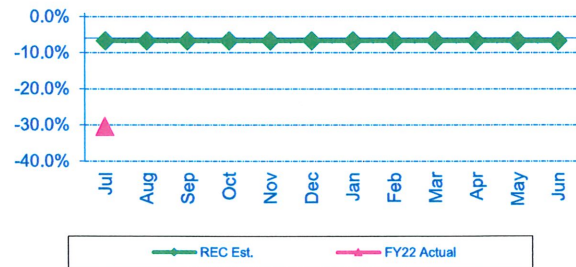
RE: July 2021 General Fund Receipts

Gross General Fund receipts for July 2021 totaled \$724.8 million, a decrease of \$316.5 million or 30.4 percent over the same period last year. Gross General Fund receipts for July 2021 when compared to July 2019, are down \$39.1 million or 5.1 percent. While the decrease is mostly timing related, it is worth noting that sales tax receipts have increased and remain strong.

Summary

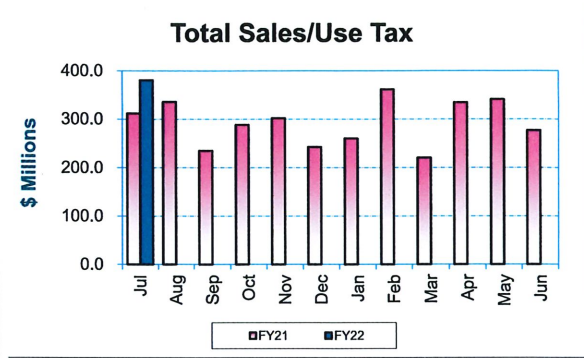
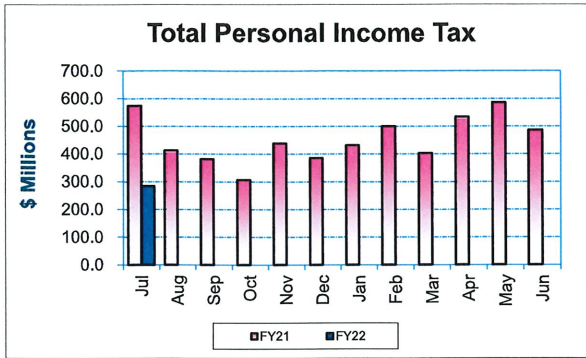
Fiscal year-to-date gross receipts on a cash basis are 30.4 percent less compared to July 2020. July receipts are heavily impacted by the filing date changes done last year for individual and corporate income tax returns from April 30 to July 30, 2020.

FY 2022 Year-to-Date Growth by Month



Personal Income Tax

Personal income tax receipts totaled \$283.0 million during July 2021. This is \$291.0 million or 50.7 percent less than the receipts of July 2020. Withholding tax receipts decreased \$78.9 million or 24.4 percent compared to last year. Estimated payments decreased \$26.8 million compared to last year. Final return payments decreased \$185.4 million. **All of the decrease in final return payments can be attributed to the filing date changes made last year for individual income tax returns from April 30 to July 30, 2020.**

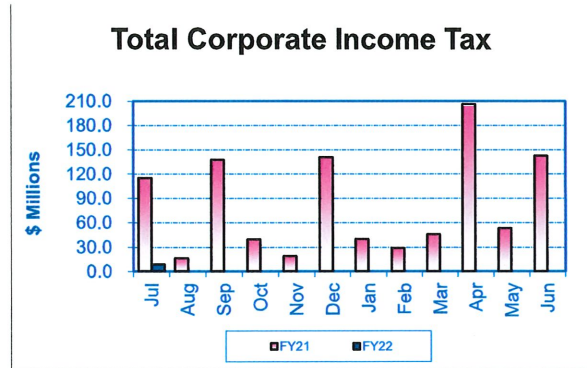


Sales/Use Tax

July sales/use tax receipts totaled \$381.0 million, which represents an increase of \$69.0 million or 22.1 percent over July 2020.

Corporate Income Tax

Corporate income tax receipts during July totaled \$8.4 million, which is \$106.6 million or 92.7 percent less than in July 2020. All of the decrease in final return payments can be attributed to the filing date changes made last year for individual income tax returns from April 30 to July 30, 2020.



Refunds

For the month of July, the Department of Revenue issued \$52.3 million in refunds on a cash basis. This compares to \$61.5 million issued July 2020.

FY 2021 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 16.6 percent, which is ahead of the REC estimate of 1.9 percent. However, with the change in filing dates last year from April 30 to July 30, 2020 for individual and corporate income tax returns, it is anticipated when accrual adjustments are made, actual amounts will come closer to the estimates. We will update this table monthly until the State's books are closed at the end of September 2021.

Net General Fund Receipts

Accrual Basis

Through July 31, 2021

	<u>FY20</u>	<u>FY21</u>	<u>Variance</u>	<u>Percent</u>	<u>Adjusted Estimate</u>
Total Gross Receipts	8,417.8	9,599.3	1,181.5	14.0%	2.9%
Transfers	97.8	104.5	6.7	6.9%	5.5%
Refunds	(1,057.9)	(1,083.7)	(25.8)	2.4%	10.0%
School Infrastructure Transfer	(513.9)	(523.6)	(9.7)	1.9%	4.7%
Net General Fund Revenues compared to REC	<u>6,943.8</u>	<u>8,096.5</u>	<u>1,152.7</u>	16.6%	1.9%

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE ONE MONTH ENDING JULY 31, 2021
(\$ MILLIONS)**

CASH BASIS

	MONTH OF JULY			FY22 Over (Under) FY20		FY22 Over (Under) FY21		FY22 Annual Est Percent Of Growth
	FY20	FY21	FY22	Dollars	Percent	Dollars	Percent	
Personal Income Tax	\$364.7	\$574.0	\$283.0	(\$81.7)	-22.4%	(\$291.0)	-50.7%	-5.6%
Sales/Use Tax	302.9	312.0	381.0	78.1	25.8%	\$69.0	22.1%	-3.2%
Corporate Income Tax	49.0	115.0	8.4	(40.6)	-82.9%	(\$106.6)	-92.7%	-24.5%
Inheritance Tax	6.5	5.1	8.3	1.8	27.7%	\$3.2	62.7%	-3.4%
Insurance Premium Tax	2.9	2.7	4.4	1.5	51.7%	\$1.7	63.0%	1.3%
Beer Tax	1.3	0.5	1.4	0.1	7.7%	\$0.9	180.0%	-38.4%
Franchise Tax	8.0	7.4	4.9	(3.1)	-38.8%	(\$2.5)	-33.8%	-3.3%
Miscellaneous Tax	2.9	2.8	0.0	(2.9)	0.0%	(\$2.8)	-100.0%	-0.4%
Total Special Taxes	\$738.2	\$1,019.5	\$691.4	(\$46.8)	-6.3%	(\$328.1)	-32.2%	-6.5%
Institutional Payments	1.2	0.5	0.6	(0.6)	-50.0%	\$0.1	20.0%	57.7%
Liquor Transfers:	11.5	13.1	16.9	5.4	47.0%	\$3.8	29.0%	-3.6%
Interest	0.4	0.3	0.1	(0.3)	-75.0%	(\$0.2)	-66.7%	0.0%
Fees	3.0	2.1	2.4	(0.6)	-20.0%	\$0.3	14.3%	-13.7%
Judicial Revenue	4.1	2.5	2.9	(1.2)	-29.3%	\$0.4	16.0%	-23.0%
Miscellaneous Receipts	5.5	3.3	10.5	5.0	90.9%	\$7.2	218.2%	-25.3%
Gaming Revenues	0.0	0.0	0.0	0.0	0.0%	\$0.0	0.0%	0.0%
Total Gross Tax and Other Receipts	\$763.9	\$1,041.3	\$724.8	(\$39.1)	-5.1%	(\$316.5)	-30.4%	-6.7%
Transfers	\$23.5	\$24.5	\$25.8	\$2.3				
Total Gross Tax and Other Rcpts & Transfers	\$787.4	\$1,065.8	\$750.6	(\$36.8)				
Reductions in General Fund Receipts								
School Infrastructure Transfer	(\$44.2)	(\$47.5)	(\$48.8)	(\$4.6)				
Refunds	(35.4)	(61.5)	(52.3)	(16.9)				
Total Reductions in GF Receipts	(\$79.6)	(\$109.0)	(\$101.1)	(\$21.5)				

Iowa Department of Management
August 3, 2021