Fields of Opportunities

STATE OF IOWA

TERRY E. BRANSTAD, GOVERNOR
KIM REYNOLDS, LT. GOVERNOR

DEPARTMENT OF MANAGEMENT
David Roederer, Director

DATE: September 2, 2011

TO: The Honorable Terry E Branstad
The Honorable Kim Reynolds

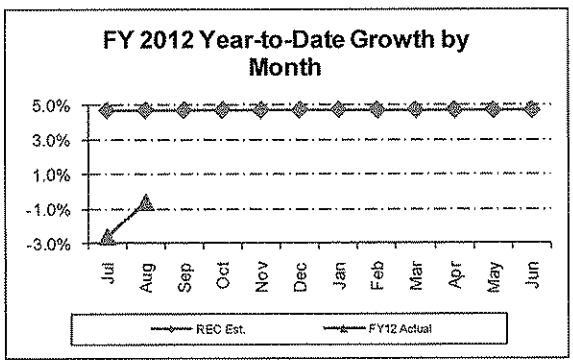
FROM: David Roederer, Director
Department of Management

RE: August 2011 General Fund Receipts

Gross General Fund receipts for August 2011 totaled $683.7 million, a decrease of 0.6 percent over the same period last year. Fiscal year-to-date, gross General Fund receipts totaled $1,088.5 million, a decrease of 1.3 percent over the same period last year. The current estimate for FY2012 is 4.7 percent, however the estimate does not take into account revenue changes due to legislation passed and signed into law from this past session. One of the changes having the biggest impact on fiscal year-to-date revenues was the law change starting July 1, 2011, which requires the first $106 million of the cigarette and tobacco tax for each fiscal year to be deposited into the Health Care Trust Fund instead of the General Fund. If this change had not occurred, fiscal year-to-date revenues would have been $34.6 million higher or a total increase of 1.8 percent compared to last year.

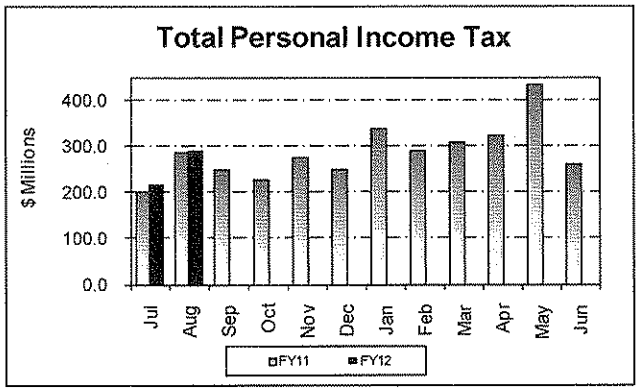
Summary

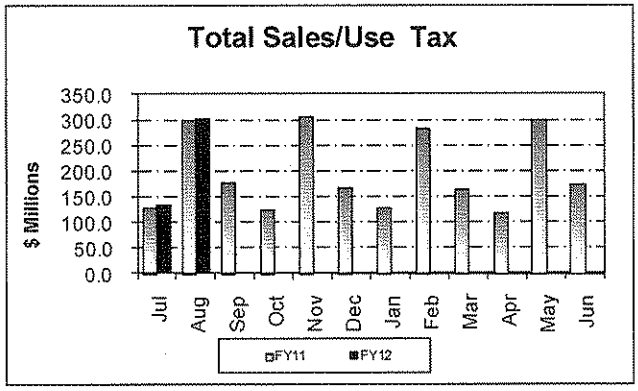
Fiscal year-to-date gross receipts are 1.3 percent lower through August 2011 and compared to the current estimate for FY2012 of 4.7 percent. However the current estimate does not take into account revenue changes due to legislation passed and signed into law from this past session. When adjusted for law changes as explained above, fiscal year-to-date revenues would have shown an increase of 1.6 percent compared to August 2010.



Personal Income Tax

Personal income tax receipts totaled $290.2 million during August 2011. This is $3.2 million or 1.1 percent more than the receipts of August 2010. Withholding tax receipts decreased $2.5 million or 0.9 percent compared to last year. Estimated payments increased $0.4 million compared to last year. Final return payments increased $5.3 million compared to August 2010. Fiscal year-to-date, personal income tax receipts totaled 507.1 million, an increase of 3.3 percent The current estimate for personal income tax for Fiscal Year 2012 is a 4.4 percent.



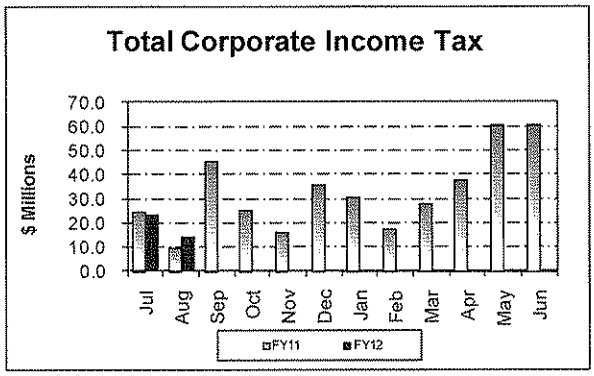


Sales/Use Tax

August sales/use tax receipts totaled $302.8 million, which represents an increase of $3.1 million or 1.0 percent over August 2010. Fiscal year-to-date, sales/use tax receipts totaled $435.8 million, an increase of 1.6 percent. The current estimate for sales/use tax for Fiscal Year 2012 is a 3.7 percent.

Corporate Income Tax

Corporate income tax receipts during August totaled $13.8 million, which is $3.7 million or 36.6 percent more than in August 2010. Fiscal year-to-date, corporate income tax receipts totaled $36.8 million, an increase of 5.7 percent. The REC's estimate for corporate income tax for Fiscal Year 2011 is 9.5 percent.



Refunds

For the month of August, the Department of Revenue issued $25.2 million in refunds on a cash basis. This compares to $39.0 million issued August 2010. For the fiscal year-to-date, total refunds issued on a cash basis were $84.8 million. This compares to $56.8 million issued at this time last year.

FY 2011 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 4.7 percent which is better than the REC's estimate of 3.9 percent. We will update this table monthly until the State's books are closed at the end of September 2011.

Net General Fund Receipts

Accrual Basis

Through August 31, 2011

	FY10	FY11	Variance	Percent	REC Estimate
Total Gross Receipts	6,263.0	6,530.9	267.9	4.3%	4.0%
Transfers	130.5	82.8	(47.7)	-36.6%	-37.3%
Refunds	(859.2)	(826.0)	33.2	-3.9%	-3.9%
School Infrastructure Transfer	(375.1)	(387.1)	(12.0)	3.2%	6.9%
Net General Fund Revenues	5,159.2	5,400.6	241.4	4.7%	3.9%

STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE MONTH ENDING AUGUST 31, 2011
($ MILLIONS)

CASH BASIS

	MONTH OF AUGUST		FY12 Over (Under) FY11		FY12 Annual Est Percent
	FY11	FY12	Dollars	Percent	Of Growth
Personal Income Tax	$287.0	$290.2	$3.2	1.1%	4.4%
Sales/Use Tax	299.7	302.8	3.1	1.0%	3.7%
Corporate Income Tax	10.1	13.8	3.7	36.6%	9.5%
Inheritance Tax	6.3	7.0	0.7	11.1%	8.6%
Insurance Premium Tax	47.7	45.6	(2.1)	-4.4%	3.3%
Cigarette Tax	18.7	0.1	(18.6)	-99.5%	10.0%
Tobacco Tax	2.0	0.0	(2.0)	-100.0%	2.9%
Beer Tax	1.4	1.3	(0.1)	-7.1%	-0.7%
Franchise Tax	0.1	0.6	0.5	500.0%	10.2%
Miscellaneous Tax	0.0	0.0	0.0	0.0%	-9.1%
Total Special Taxes	**$673.0**	**$661.4**	**($11.6)**	**-1.7%**	**4.4%**
Institutional Payments	1.5	1.8	0.3	20.0%	49.0%
Liquor Transfers:	7.2	13.6	6.4	88.9%	-4.4%
Interest	0.1	0.1	0.0	0.0%	-33.3%
Fees	3.6	2.9	(0.7)	-19.4%	121.9%
Judicial Revenue	1.1	1.3	0.2	18.2%	10.2%
Miscellaneous Receipts	1.3	2.6	1.3	100.0%	-30.2%
Racing and Gaming	0.0	0.0	0.0	0.0%	0.0%
Total Receipts	**$687.8**	**$683.7**	**($4.1)**	**-0.6%**	**4.7%**
Transfers	$1.1	$0.1	($1.0)		
Total Rcpts & Transfers	**$688.9**	**$683.8**	($5.1)		
Reductions in General Fund Receipts					
School Infrastructure Transfer	($30.0)	($32.8)	($2.8)		
Refunds	($39.0)	($25.2)	$13.8		
Total Reductions in GF Receipts	**($69.0)**	**($58.0)**	**$11.0**		

Iowa Department of Management
September 2, 2011

STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE TWO MONTHS ENDING AUGUST 31, 2011
($ MILLIONS)

CASH BASIS

	TWO MONTHS THROUGH AUGUST		FY12 Over (Under) FY11		FY12 Annual Est Percent
	FY11	FY12	Dollars	Percent	Of Growth
Personal Income Tax	$490.8	$507.1	$16.3	3.3%	4.4%
Sales/Use Tax	429.0	435.8	6.8	1.6%	3.7%
Corporate Income Tax	34.8	36.8	2.0	5.7%	9.5%
Inheritance Tax	12.9	12.1	(0.8)	-6.2%	8.6%
Insurance Premium Tax	49.2	46.6	(2.6)	-5.3%	3.3%
Cigarette Tax	34.6	0.1	(34.5)	-99.7%	10.0%
Tobacco Tax	5.1	2.5	(2.6)	-51.0%	2.9%
Beer Tax	2.9	2.7	(0.2)	-6.9%	-0.7%
Franchise Tax	1.6	4.8	3.2	200.0%	10.2%
Miscellaneous Tax	0.0	0.0	0.0	0.0%	-9.1%
Total Special Taxes	**$1,060.9**	**$1,048.5**	**($12.4)**	**-1.2%**	**4.4%**
Institutional Payments	2.3	3.5	1.2	52.2%	49.0%
Liquor Transfers:	14.8	16.1	1.3	8.8%	-4.4%
Interest	0.3	0.3	0.0	0.0%	-33.3%
Fees	5.9	4.7	(1.2)	-20.3%	121.9%
Judicial Revenue	11.6	10.8	(0.8)	-6.9%	10.2%
Miscellaneous Receipts	7.4	4.6	(2.8)	-37.8%	-30.2%
Racing and Gaming	0.0	0.0	0.0	0.0%	0.0%
Total Receipts	**$1,103.2**	**$1,088.5**	**($14.7)**	**-1.3%**	**4.7%**
Transfers	$15.4	$20.4	$5.0		
Total Rcpts & Transfers	**$1,118.6**	**$1,108.9**	**($9.7)**		
Reductions in General Fund Receipts					
School Infrastructure Transfer	($75.5)	($72.2)	$3.3		
Refunds	(56.8)	(84.8)	(28.0)		
Total Reductions in GF Receipts	**($132.3)**	**($157.0)**	**($24.7)**		

Iowa Department of Management
September 2, 2011