Fields of Opportunities

STATE OF IOWA

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

DEPARTMENT OF MANAGEMENT
David Roederer, Director

DATE: October 4, 2011

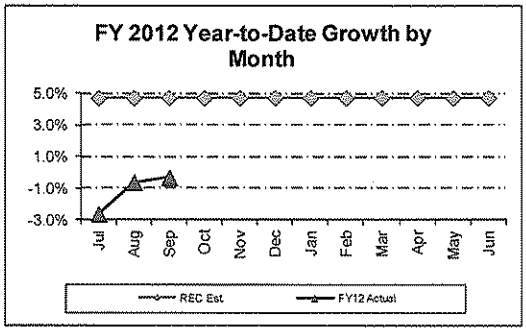
TO: The Honorable Terry E Branstad
The Honorable Kim Reynolds

FROM: David Roederer, Director
Department of Management

RE: September 2011 General Fund Receipts

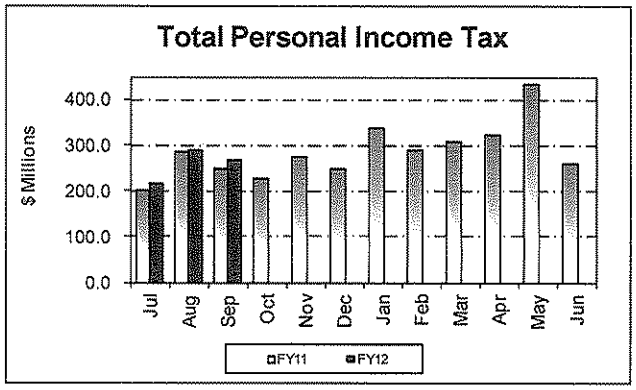
Gross General Fund receipts for September 2011 totaled $534.2 million, an increase of 1.8 percent over the same period last year. Fiscal year-to-date gross General Fund receipts totaled $1,622.7 million, a decrease of 0.3 percent over the same period last year. The current estimate for FY2012 is 4.7 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 $57.8 million higher or a total increase of 3.2 percent compared to last year.

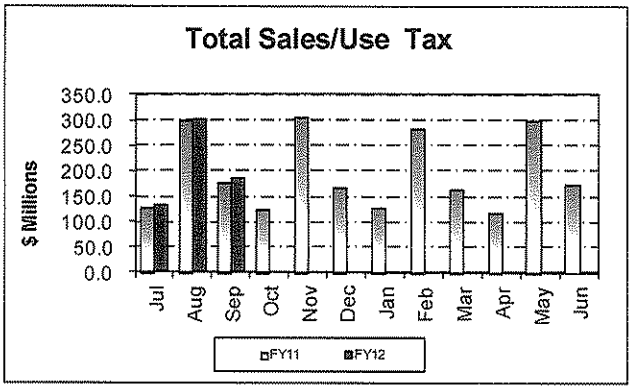
Summary
Fiscal year-to-date gross receipts are 0.3 percent lower through September 2011 and compared to the current estimate for FY2012 of 4.7 percent. However, the current estimate does not take into account revenue changes due to legislation passed and signed into law from this past session. When adjusted for law changes as explained above, fiscal year-to-date revenues would have shown an increase of 3.2 percent compared to September 2010. The fiscal year estimates will be reviewed when the Revenue Estimating Conference meets October 14, 2011.



Personal Income Tax

Personal income tax receipts totaled $267.8 million during September 2011. This is $16.2 million or 6.4 percent more than the receipts of September 2010. Withholding tax receipts increased $10.1 million or 5.3 percent compared to last year. Estimated payments increased $6.2 million compared to last year. Final return payments decreased $0.1 million compared to September 2010. Fiscal year-to-date, personal income tax receipts totaled $774.9 million, an increase of 4.4 percent. The current estimate for personal income tax for Fiscal Year 2012 is 4.4 percent.



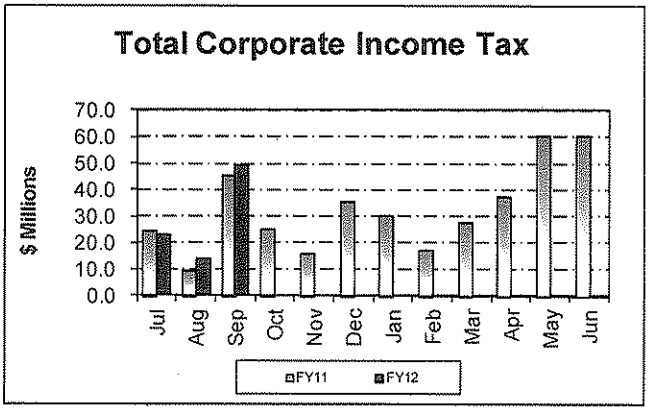


Sales/Use Tax

September sales/use tax receipts totaled $185.1 million, which represents an increase of $6.3 million or 3.5 percent over September 2010. Fiscal year-to-date, sales/use tax receipts totaled $620.9 million, an increase of 2.2 percent. The current estimate for sales/use tax for Fiscal Year 2012 is 3.7 percent.

Corporate Income Tax

Corporate income tax receipts during September totaled $49.4 million, which is $3.5 million or 7.6 percent more than in September 2010. Fiscal year-to-date, corporate income tax receipts totaled $86.2 million, an increase of 6.8 percent. The REC's estimate for corporate income tax for Fiscal Year 2012 is 9.5 percent.



Refunds

For the month of September, the Department of Revenue issued $32.8 million in refunds on a cash basis. This compares to $33.7 million issued September 2010. For the fiscal year-to-date, total refunds issued on a cash basis were $105.0 million. This compares to $90.5 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, Fiscal Year 2011 net General Fund receipts ended the year at 4.7 percent, which is better than the REC's estimate of 3.9 percent.

Net General Fund Receipts

Accrual Basis

Through September 30, 2011

	FY10	FY11	Variance	Percent	REC Estimate
Total Gross Receipts	6,724.5	7,033.5	309.0	4.6%	4.0%
Transfers	140.9	85.6	(55.3)	-39.2%	-37.3%
Refunds	(859.1)	(826.0)	33.1	-3.9%	-3.9%
School Infrastructure Transfer	(372.5)	(394.1)	(21.6)	5.8%	6.9%
Net General Fund Revenues	5,633.8	5,899.0	265.2	4.7%	3.9%

STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE MONTH ENDING SEPTEMBER 30, 2011
($ MILLIONS)

CASH BASIS

	MONTH OF SEPTEMBER		FY12 Over (Under) FY11		FY12 Annual Est Percent
	FY11	FY12	Dollars	Percent	Of Growth
Personal Income Tax	$251.6	$267.8	$16.2	6.4%	4.4%
Sales/Use Tax	178.8	185.1	6.3	3.5%	3.7%
Corporate Income Tax	45.9	49.4	3.5	7.6%	9.5%
Inheritance Tax	5.7	7.2	1.5	26.3%	8.6%
Insurance Premium Tax	0.1	0.2	0.1	100.0%	3.3%
Cigarette Tax	19.9	(0.1)	(20.0)	-100.5%	10.0%
Tobacco Tax	2.5	0.0	(2.5)	-100.0%	2.9%
Beer Tax	1.4	1.5	0.1	7.1%	-0.7%
Franchise Tax	5.8	3.6	(2.2)	-37.9%	10.2%
Miscellaneous Tax	0.1	0.0	(0.1)	0.0%	-9.1%
Total Special Taxes	**$511.8**	**$514.7**	**$2.9**	**0.6%**	**4.4%**
Institutional Payments	0.7	0.8	0.1	14.3%	49.0%
Liquor Transfers:	7.7	6.8	(0.9)	-11.7%	-4.4%
Interest	0.3	0.2	(0.1)	-33.3%	-33.3%
Fees	0.9	2.5	1.6	177.8%	121.9%
Judicial Revenue	1.2	7.3	6.1	508.3%	10.2%
Miscellaneous Receipts	1.9	1.9	0.0	0.0%	-30.2%
Racing and Gaming	0.0	0.0	0.0	0.0%	0.0%
Total Receipts	**$524.5**	**$534.2**	**$9.7**	**1.8%**	**4.7%**
Transfers	$8.4	$0.0	($8.4)		
Total Rcpts & Transfers	**$532.9**	**$534.2**	$1.3		
Reductions in General Fund Receipts					
School Infrastructure Transfer	($24.2)	($38.8)	($14.6)		
Refunds	($33.7)	($32.8)	$0.9		
Total Reductions in GF Receipts	**($57.9)**	**($71.6)**	**($13.7)**		

Iowa Department of Management
October 4, 2011

STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE THREE MONTHS ENDING SEPTEMBER 30, 2011
($ MILLIONS)

CASH BASIS

	THREE MONTHS THROUGH SEPTEMBER		FY12 Over (Under) FY11		FY12 Annual Est Percent
	FY11	FY12	Dollars	Percent	Of Growth
Personal Income Tax	$742.4	$774.9	$32.5	4.4%	4.4%
Sales/Use Tax	607.8	620.9	13.1	2.2%	3.7%
Corporate Income Tax	80.7	86.2	5.5	6.8%	9.5%
Inheritance Tax	18.6	19.3	0.7	3.8%	8.6%
Insurance Premium Tax	49.3	46.8	(2.5)	-5.1%	3.3%
Cigarette Tax	54.5	0.0	(54.5)	-100.0%	10.0%
Tobacco Tax	7.6	2.5	(5.1)	-67.1%	2.9%
Beer Tax	4.3	4.2	(0.1)	-2.3%	-0.7%
Franchise Tax	7.4	8.4	1.0	13.5%	10.2%
Miscellaneous Tax	0.1	0.0	(0.1)	0.0%	-9.1%
Total Special Taxes	**$1,572.7**	**$1,563.2**	**($9.5)**	**-0.6%**	**4.4%**
Institutional Payments	3.0	4.3	1.3	43.3%	49.0%
Liquor Transfers:	22.5	22.9	0.4	1.8%	-4.4%
Interest	0.6	0.5	(0.1)	-16.7%	-33.3%
Fees	6.8	7.2	0.4	5.9%	121.9%
Judicial Revenue	12.8	18.1	5.3	41.4%	10.2%
Miscellaneous Receipts	9.3	6.5	(2.8)	-30.1%	-30.2%
Racing and Gaming	0.0	0.0	0.0	0.0%	0.0%
Total Receipts	**$1,627.7**	**$1,622.7**	**($5.0)**	**-0.3%**	**4.7%**
Transfers	$23.8	$20.4	($3.4)		
Total Rcpts & Transfers	**$1,651.5**	**$1,643.1**	**($8.4)**		
Reductions in General Fund Receipts					
School Infrastructure Transfer	($99.7)	($123.6)	($23.9)		
Refunds	(90.5)	(105.0)	(14.5)		
Total Reductions in GF Receipts	**($190.2)**	**($228.6)**	**($38.4)**		

Iowa Department of Management
October 4, 2011