



# STATE OF IOWA

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

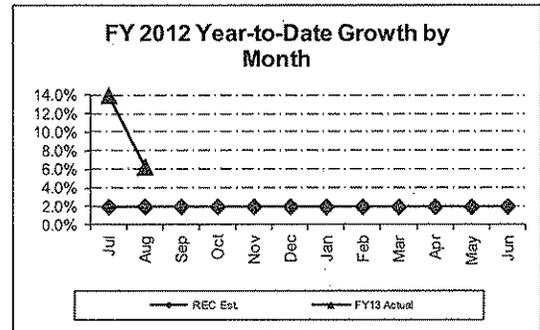
DEPARTMENT OF MANAGEMENT  
David Roederer, Director

DATE: September 4, 2012  
TO: The Honorable Terry E Branstad  
The Honorable Kim Reynolds  
FROM: David Roederer, Director   
Department of Management  
RE: August 2012 General Fund Receipts

Gross General Fund receipts for August 2012 totaled \$695.6 million, an increase of 1.7 percent over the same period last year. As anticipated, growth in sales/use tax was slower in August due to second calendar quarter sales/use tax reconciliation payments due this year on July 31, where last year they were due August 1 since July 31 fell on a weekend. Processing of these payments occurs during July and August. Fiscal year-to-date, gross General Fund receipts totaled \$1,157.2 million or 6.3%. The current estimate for FY2012 is 2.0 percent.

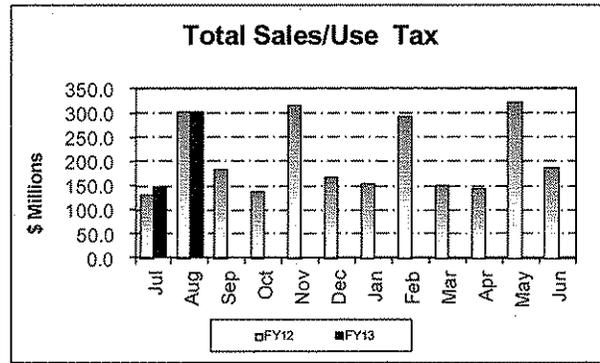
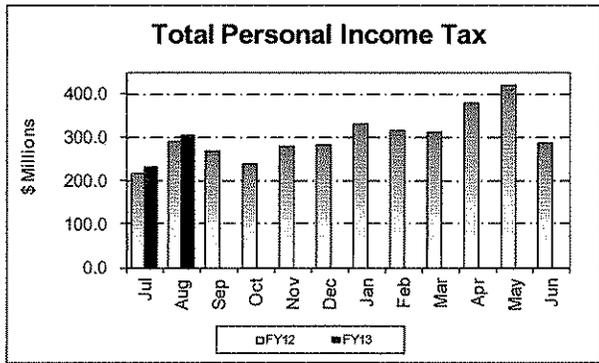
### Summary

Fiscal year-to-date gross receipts are 6.3 percent higher compared to August 2011. This drop from the July 2012 increase of 14 percent was anticipated because of due dates for tax payments occurring on weekends, moving payments into July 2012 this year, when last year the payments would have been deposited in June or August. The current estimate for FY2013 is a growth rate of 2.0 percent for gross receipts.



### Personal Income Tax

Personal income tax receipts totaled \$304.1 million during August 2012. This is \$13.9 million or 4.8 percent more than the receipts of August 2011. Withholding tax receipts increased \$9.0 million or 3.3 percent compared to last year. Estimated payments increased \$0.8 million. Final return payments increased \$4.1 million. The current estimate for personal income tax for Fiscal Year 2013 is for an increase of 4.2 percent. Fiscal year-to-date, personal income tax receipts totaled \$533.9 million, an increase of 5.3 percent. The current estimate for personal income tax for Fiscal Year 2013 is for an increase of 4.2 percent.

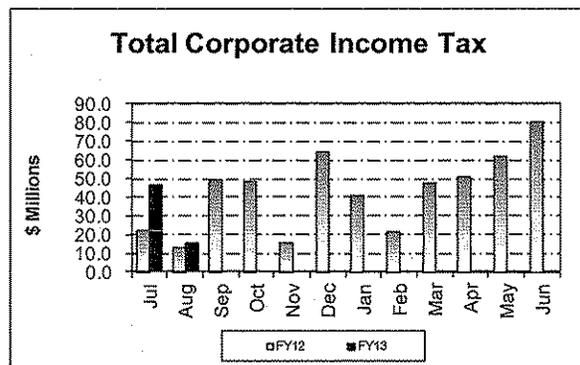


### Sales/Use Tax

August sales/use tax receipts totaled \$303.4 million, which represents an increase of \$0.6 million or 0.2 percent over August 2011. Sales/Use tax was influenced by the July 31 due date for second quarter reconciliation payments for sales and use taxes. July 31 was on a weekend last year, pushing an estimated \$6.0 million of receipts into August. July 31 was on a Monday this year, so a majority of these funds were deposited into July this year. Fiscal year-to-date, sales/use tax receipts totaled \$449.2 million, an increase of 3.1 percent. The current estimate for sales/use tax for Fiscal Year 2013 is for an increase of 1.3 percent.

### Corporate Income Tax

Corporate income tax receipts during August totaled \$15.8 million, which is \$2.0 million or 14.5 percent more than in August 2011. Fiscal year-to-date corporate income tax receipts totaled \$62.1 million, an increase of 68.8 percent. The REC's estimate for corporate income tax for Fiscal Year 2012 is for a decrease of 1.8 percent.



### Refunds

For the month of August, the Department of Revenue issued \$22.7 million in refunds on a cash basis. This compares to \$25.2 million issued August 2011. For the fiscal year-to-date, total refunds issued on a cash basis were \$51.2 million. This compares to \$84.8 million issued at this time last year.

FY 2012 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 6.4 percent, which is better than the REC's estimate of 2.6 percent. We will update this table monthly until the State's books are closed at the end of September 2012.

**Net General Fund Receipts**

**Accrual Basis**

Through August 31, 2012

	<u>FY11</u>	<u>FY12</u>	<u>Variance</u>	<u>Percent</u>	<u>REC Estimate</u>
Total Gross Receipts	6,530.9	6,882.7	351.8	5.4%	3.3%
Transfers	82.8	91.0	8.2	9.9%	-0.5%
Refunds	(826.0)	(820.6)	5.4	-0.7%	7.0%
School Infrastructure Transfer	(387.1)	(404.4)	(17.3)	4.5%	4.7%
Net General Fund Revenues	<u>5,400.6</u>	<u>5,748.7</u>	<u>348.1</u>	6.4%	2.6%

**STATE OF IOWA**  
**GENERAL FUND RECEIPTS STATEMENT**  
**FOR THE MONTH ENDING AUGUST 31, 2012**  
**(\$ MILLIONS)**

**CASH BASIS**

	MONTH OF AUGUST		FY13 Over (Under) FY12		FY13 Annual
	FY12	FY13	Dollars	Percent	Est Percent Of Growth
Personal Income Tax	\$290.2	\$304.1	\$13.9	4.8%	4.2%
Sales/Use Tax	302.8	303.4	0.6	0.2%	1.3%
Corporate Income Tax	13.8	15.8	2.0	14.5%	-1.8%
Inheritance Tax	7.0	8.5	1.5	21.4%	2.8%
Insurance Premium Tax	45.6	46.3	0.7	1.5%	1.0%
Cigarette Tax	0.1	0.0	(0.1)	-100.0%	-9.3%
Tobacco Tax	0.0	0.0	0.0	0.0%	-1.2%
Beer Tax	1.3	0.0	(1.3)	-100.0%	0.7%
Franchise Tax	0.6	0.2	(0.4)	-66.7%	-2.7%
Miscellaneous Tax	0.0	0.0	0.0	0.0%	0.0%
<b>Total Special Taxes</b>	<b>\$661.4</b>	<b>\$678.3</b>	<b>\$16.9</b>	<b>2.6%</b>	<b>2.4%</b>
Institutional Payments	1.8	1.5	(0.3)	-16.7%	18.6%
Liquor Transfers:	13.6	9.7	(3.9)	-28.7%	-1.2%
Interest	0.1	0.1	0.0	0.0%	20.0%
Fees	2.9	2.7	(0.2)	-6.9%	-28.4%
Judicial Revenue	1.3	1.1	(0.2)	-15.4%	-1.6%
Miscellaneous Receipts	2.6	2.2	(0.4)	-15.4%	-27.1%
Racing and Gaming	0.0	0.0	0.0	0.0%	0.0%
<b>Total Receipts</b>	<b>\$683.7</b>	<b>\$695.6</b>	<b>\$11.9</b>	<b>1.7%</b>	<b>2.0%</b>
Transfers	\$0.1	\$0.5	\$0.4		
<b>Total Rcpts &amp; Transfers</b>	<b>\$683.8</b>	<b>\$696.1</b>	<b>\$12.3</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	(\$32.8)	(\$33.4)	(\$0.6)		
Refunds	(\$25.2)	(\$22.7)	\$2.5		
<b>Total Reductions in GF Receipts</b>	<b>(\$58.0)</b>	<b>(\$56.1)</b>	<b>\$1.9</b>		

Iowa Department of Management  
September 4, 2012

**STATE OF IOWA  
GENERAL FUND RECEIPTS STATEMENT  
FOR THE TWO MONTHS ENDING AUGUST 31, 2012  
(\$ MILLIONS)**

**CASH BASIS**

	TWO MONTHS THROUGH AUGUST		FY13 Over (Under) FY12		FY13 Annual Est Percent Of Growth
	FY12	FY13	Dollars	Percent	
Personal Income Tax	\$507.1	\$533.9	\$26.8	5.3%	4.2%
Sales/Use Tax	435.8	449.2	13.4	3.1%	1.3%
Corporate Income Tax	36.8	62.1	25.3	68.8%	-1.8%
Inheritance Tax	12.1	14.3	2.2	18.2%	2.8%
Insurance Premium Tax	46.6	47.2	0.6	1.3%	1.0%
Cigarette Tax	0.1	0.0	(0.1)	-100.0%	-9.3%
Tobacco Tax	2.5	2.5	0.0	0.0%	-1.2%
Beer Tax	2.7	1.7	(1.0)	-37.0%	0.7%
Franchise Tax	4.8	4.4	(0.4)	-8.3%	-2.7%
Miscellaneous Tax	0.0	0.0	0.0	0.0%	0.0%
<b>Total Special Taxes</b>	<b>\$1,048.5</b>	<b>\$1,115.3</b>	<b>\$66.8</b>	<b>6.4%</b>	<b>2.4%</b>
Institutional Payments	3.5	2.5	(1.0)	-28.6%	18.6%
Liquor Transfers:	16.1	18.0	1.9	11.8%	-1.2%
Interest	0.3	0.3	0.0	0.0%	20.0%
Fees	4.7	4.7	0.0	0.0%	-28.4%
Judicial Revenue	10.8	10.1	(0.7)	-6.5%	-1.6%
Miscellaneous Receipts	4.6	6.3	1.7	37.0%	-27.1%
Racing and Gaming	0.0	0.0	0.0	0.0%	0.0%
<b>Total Receipts</b>	<b>\$1,088.5</b>	<b>\$1,157.2</b>	<b>\$68.7</b>	<b>6.3%</b>	<b>2.0%</b>
Transfers	\$20.4	\$18.4	(\$2.0)		
<b>Total Rcpts &amp; Transfers</b>	<b>\$1,108.9</b>	<b>\$1,175.6</b>	<b>\$66.7</b>		
<b>Reductions in General Fund Receipts</b>					
School Infrastructure Transfer	(\$72.2)	(\$88.1)	(\$15.9)		
Refunds	(84.8)	(51.2)	33.6		
<b>Total Reductions in GF Receipts</b>	<b>(\$157.0)</b>	<b>(\$139.3)</b>	<b>\$17.7</b>		

Iowa Department of Management  
September 4, 2012