



STATE OF IOWA

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

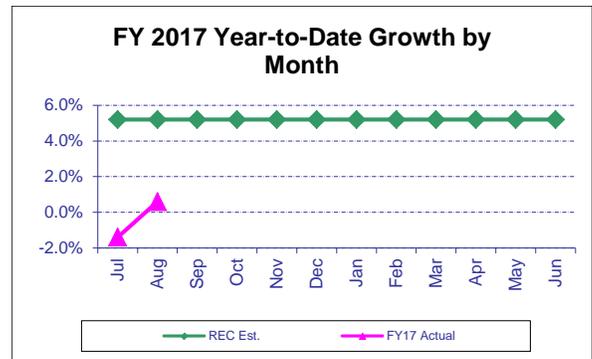
DEPARTMENT OF MANAGEMENT
David Roederer, Director

DATE: September 2, 2016
TO: The Honorable Terry E Branstad
The Honorable Kim Reynolds
FROM: David Roederer, Director
Department of Management
RE: August 2016 General Fund Receipts

Gross General Fund receipts for August 2016 totaled \$811.7 million, an increase of 1.9 percent over the same period last year. There were two more processing days this August compared to last year. Fiscal year-to-date, gross General Fund receipts totaled \$1,295.9 million or 0.6%. The current estimate for FY2017 is 5.2 percent.

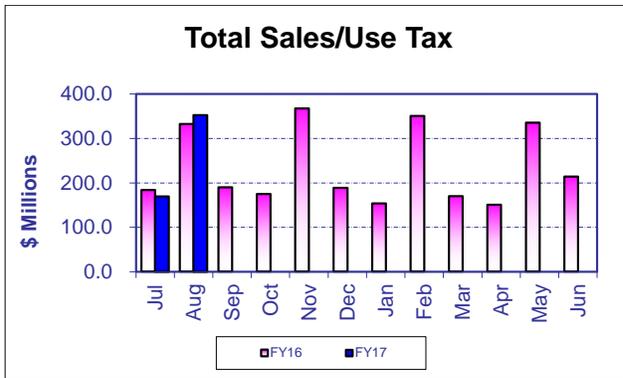
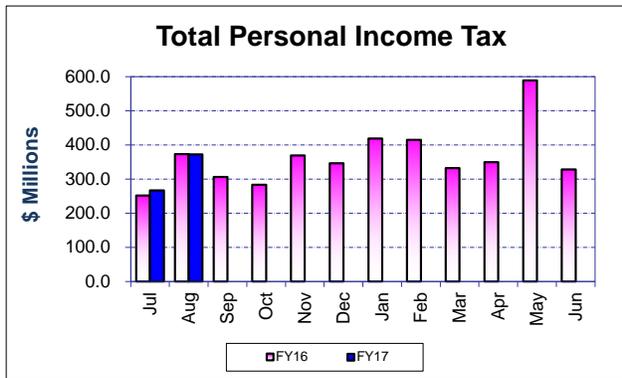
Summary

Fiscal year-to-date gross receipts are 0.6 percent higher compared to August 2015. The current estimate for FY2017 is a growth rate of 5.2 percent for gross receipts and will be reviewed at the next Revenue Estimating Conference meeting.



Personal Income Tax

Personal income tax receipts totaled \$372.5 million during August 2016. This is \$0.3 million or 0.1 percent more than the receipts of August 2015. Withholding tax receipts decreased \$0.2 million or -0.1 percent compared to last year. Estimated payments increased \$0.7 million compared to last year. Final return payments decreased \$0.2 million. Fiscal year-to-date, personal income tax receipts totaled \$639.6 million, an increase of 2.6 percent. The current estimate for personal income tax for Fiscal Year 2017 is for an increase of 8.9 percent.

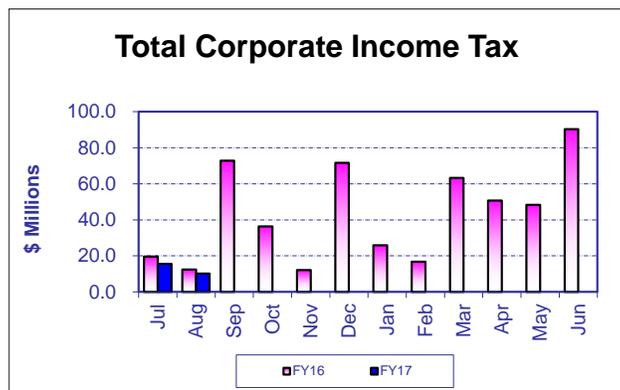


Sales/Use Tax

August sales/use tax receipts totaled \$352.7 million, which represents an increase of \$20.3 million or 6.1 percent over August 2014. It appears that part of the increase of August may be because the due date for second quarter sales and use tax returns fell on Monday, August 1 this year. Last year the due date was Friday, July 31. For the July-August period, the number of payments dropped 10.1 percent while total payments increased 0.7 percent, resulting in a 12.0 percent increase in the average payment. Fiscal year-to-date, sales/use tax receipts totaled \$522.5 million, an increase of 1.2 percent. The current estimate for sales/use tax for Fiscal Year 2015 is for an increase of 1.4 percent.

Corporate Income Tax

Corporate income tax receipts during August totaled \$10.1 million, which is \$2.4 million or 19.2 percent less than in August 2015. Fiscal year-to-date corporate income tax receipts totaled \$25.6 million, a decrease of 20.5 percent. The REC's estimate for corporate income tax for Fiscal Year 2015 is for an increase of 2.2 percent.



Refunds

For the month of August, the Department of Revenue issued \$6.6 million in refunds on a cash basis. This compares to \$13.6 million issued August 2015. For the fiscal year-to-date, total refunds issued on a cash basis were \$59.1 million. This compares to \$57.8 million issued at this time last year.

FY 2016 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 on an accrual basis have increased 1.6 percent, which is less than the REC's estimate of 1.9 percent. We will update this table monthly until the State's books are closed at the end of September 2016.

Net General Fund Receipts

Accrual Basis

Through August 31, 2016

	<u>FY15</u>	<u>FY16</u>	<u>Variance</u>	<u>Percent</u>	<u>REC Estimate</u>
Total Gross Receipts	7,531.1	7,690.2	159.1	2.1%	2.5%
Transfers	112.3	126.4	14.1	12.6%	-16.6%
Refunds	(967.9)	(1,018.3)	(50.4)	5.2%	4.8%
School Infrastructure Transfer	(443.2)	(466.7)	(23.5)	5.3%	2.1%
Net General Fund Revenues	<u>6,232.3</u>	<u>6,331.6</u>	<u>99.3</u>	1.6%	1.9%

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE MONTH ENDING AUGUST 31, 2016
(\$ MILLIONS)**

CASH BASIS

	MONTH OF AUGUST		FY17 Over (Under) FY16		FY17 Annual Est Percent Of Growth
	FY16	FY17	Dollars	Percent	
Personal Income Tax	\$372.2	\$372.5	\$0.3	0.1%	8.9%
Sales/Use Tax	332.4	352.7	20.3	6.1%	1.4%
Corporate Income Tax	12.5	10.1	(2.4)	-19.2%	2.2%
Inheritance Tax	10.6	6.8	(3.8)	-35.8%	11.0%
Insurance Premium Tax	49.4	52.7	3.3	6.7%	-10.9%
Beer Tax	1.4	1.3	(0.1)	100.0%	2.8%
Franchise Tax	0.3	0.4	0.1	33.3%	-7.5%
Miscellaneous Tax	0.0	0.0	0.0	0.0%	-6.7%
Total Special Taxes	\$778.8	\$796.5	\$17.7	2.3%	5.3%
Institutional Payments	1.7	0.9	(0.8)	-47.1%	-52.1%
Liquor Transfers:	7.3	7.6	0.3	4.1%	-7.1%
Interest	0.2	0.2	0.0	0.0%	7.3%
Fees	2.9	3.0	0.1	3.4%	-3.2%
Judicial Revenue	3.6	1.3	(2.3)	-63.9%	15.6%
Miscellaneous Receipts	2.2	2.2	0.0	0.0%	-5.9%
Total Receipts	\$796.7	\$811.7	\$15.0	1.9%	5.2%
Transfers	\$0.3	\$30.0	\$29.7		
Total Rcpts & Transfers	\$797.0	\$841.7	\$44.7		
Reductions in General Fund Receipts					
School Infrastructure Transfer	(\$39.0)	(\$44.7)	(\$5.7)		
Refunds	(\$13.6)	(\$6.6)	\$7.0		
Total Reductions in GF Receipts	(\$52.6)	(\$51.3)	\$1.3		

Iowa Department of Management
September 2, 2016

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE TWO MONTHS ENDING AUGUST 31, 2016
(\$ MILLIONS)**

CASH BASIS

	TWO MONTHS THROUGH AUGUST		FY17 Over (Under) FY16		FY17 Annual Est Percent Of Growth
	FY16	FY17	Dollars	Percent	
Personal Income Tax	\$623.5	\$639.6	\$16.1	2.6%	8.9%
Sales/Use Tax	516.3	522.5	6.2	1.2%	1.4%
Corporate Income Tax	32.2	25.6	(6.6)	-20.5%	2.2%
Inheritance Tax	16.6	13.6	(3.0)	-18.1%	11.0%
Insurance Premium Tax	52.3	53.1	0.8	1.5%	-10.9%
Beer Tax	2.8	2.8	0.0	0.0%	2.8%
Franchise Tax	3.2	1.6	(1.6)	-50.0%	-7.5%
Miscellaneous Tax	0.0	0.0	0.0	0.0%	-6.7%
Total Special Taxes	\$1,246.9	\$1,258.8	\$11.9	1.0%	5.3%
Institutional Payments	2.9	1.9	(1.0)	-34.5%	-52.1%
Liquor Transfers:	18.1	17.5	(0.6)	-3.3%	-7.1%
Interest	0.6	0.3	(0.3)	-50.0%	7.3%
Fees	4.5	3.7	(0.8)	-17.8%	-3.2%
Judicial Revenue	9.7	6.3	(3.4)	-35.1%	15.6%
Miscellaneous Receipts	5.2	7.4	2.2	42.3%	-5.9%
Total Receipts	\$1,287.9	\$1,295.9	\$8.0	0.6%	5.2%
Transfers	\$19.1	\$51.3	\$32.2		
Total Rcpts & Transfers	\$1,307.0	\$1,347.2	\$40.2		
Reductions in General Fund Receipts					
School Infrastructure Transfer	(\$78.4)	(\$84.4)	(\$6.0)		
Refunds	(57.8)	(59.1)	(1.3)		
Total Reductions in GF Receipts	(\$136.2)	(\$143.5)	(\$7.3)		

Iowa Department of Management
September 2, 2016