

MEMORANDUM



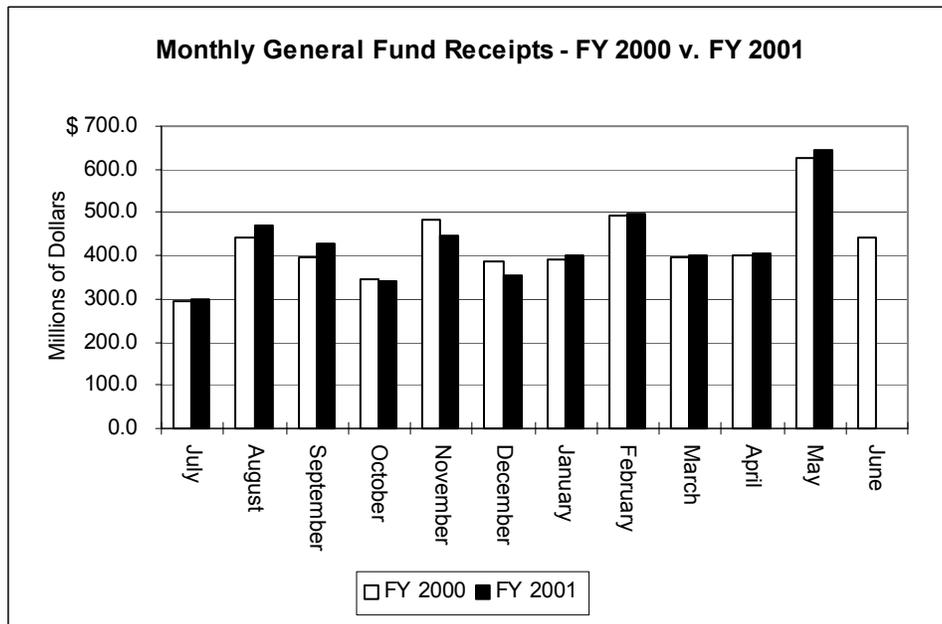
TO: Members of the Iowa Senate and
Members of the Iowa House of Representatives

FROM: Dennis C. Prouty

DATE: December 1, 2000

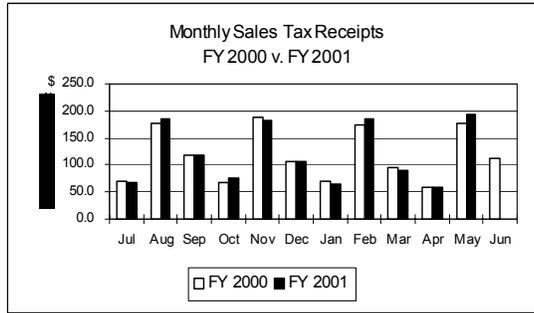
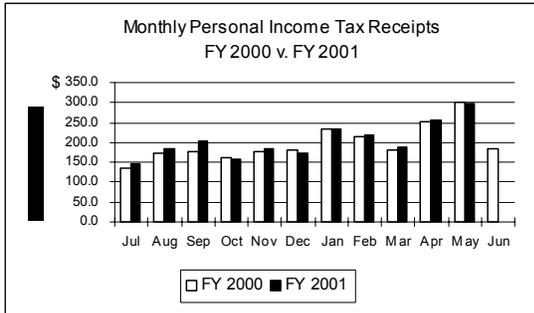
General Fund Receipts Through November 30, 2000

The attached spreadsheet represents total FY 2001 estimated General Fund receipts, with comparable figures for actual FY 2000. These can be compared to the latest FY 2001 estimate (\$5.294 billion) set by the Revenue Estimating Conference (REC) on October 12, 2000. The estimate represents an increase of \$197.5 million (3.9%) compared to actual FY 2000.



FY 2001 Compared to FY 2000

Year-to-date FY 2001 revenue increased by \$32.4 million (1.7%) compared to FY 2000. This is below the REC estimate of 3.9% for FY 2001.



Gross personal income tax revenues received in November totaled \$183.1 million, an increase of \$6.4 million (3.6%) compared to November 1999.

The REC FY 2001 income tax estimate of \$2.526 billion represents a projected increase of 6.3% compared to actual FY 2000.

Withholding receipts increased in November by 4.6% compared to November 1999 while estimated payments decreased 27.8%.

The Chart above compares monthly personal income tax receipts for FY 2000 with FY 2001.

Sales tax receipts in November totaled \$183.9 million, a decrease of \$3.4 million (1.8%) compared to November 1999. The REC estimate for FY 2001 sales tax receipts is \$1.482 billion, which represents an increase of 4.6% compared to actual FY 2000.

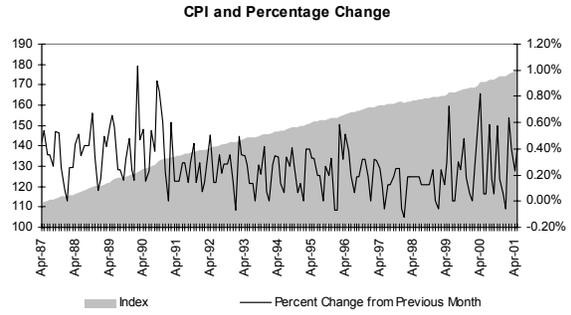
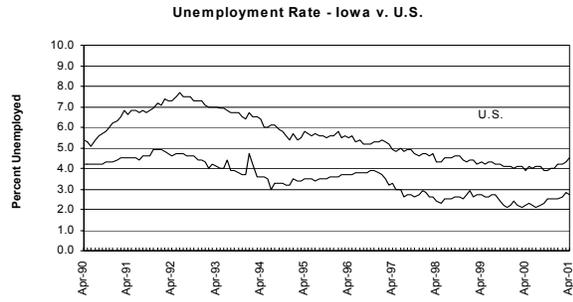
The Chart above compares monthly sales tax receipts for FY 2000 with FY 2001.

Corporate income tax receipts decreased in November by \$0.9 million (6.6%) compared to November 1999. The REC projected FY 2001 corporate income tax receipts at \$313.2 million, a decrease of 4.0% compared to actual FY 2000.

Status of the Economy

The seasonally adjusted percent unemployed for the State in October rose from September’s rate of 2.3% to 2.5%. The unemployment rate a year ago was 2.2%. Iowa’s total October employment registered at 1,536,500, same as September’s level. The number of unemployed persons in Iowa stood at 39,400 in October, which is up from September’s level of 36,400. The U.S. unemployment rate remained 3.9% for October, unchanged from September 2000.

Consumer prices in October rose by 0.2% from September’s level. The Consumer Price Index (CPI-U) through October 2000 was 174.00 (1983=100), which is 3.4% higher than one year ago. The following series illustrate U.S. and Iowa unemployment comparisons and the CPI through October 1998.



Information related to State General Fund receipts is available electronically through the Fiscal Bureau's Electronic Publishing of Information System (EPI). If you have questions regarding this service, you may contact Glen Dickinson (515-281-4616).

GENERAL FUND RECEIPTS - FY 2000 vs. FY 2001		ESTIMATED GENERAL FUND RECEIPTS			
July 1 through November 30, in millions of dollars		in millions of dollars			
Dollars may not add due to rounding		FY 00 Actual Compared to FY 01 REC Estimate			
	Year to Date		November		
	FY 2000	FY 2001	% CHANGE	% CHANGE	
Personal Income Tax	\$ 827.0	\$ 873.1	5.6%	3.6%	\$ 2,375.9
Sales Tax	621.7	629.1	1.2%	-1.8%	1,416.6
Use Tax	112.1	111.9	-0.2%	-9.4%	246.8
Corporate Income Tax	97.0	98.8	1.9%	-6.6%	326.1
Inheritance Tax	56.4	41.7	-26.1%	-56.9%	114.8
Insurance Premium Tax	0.1	0.5	400.0%	n/ m	120.2
Cigarette Tax	38.7	38.1	-1.6%	5.4%	91.1
Tobacco Tax	2.7	2.8	3.7%	100.0%	6.6
Beer Tax	6.1	6.1	0.0%	0.0%	13.6
Franchise Tax	10.3	10.8	4.9%	-70.0%	31.8
Miscellaneous Tax	1.1	2.0	81.8%	n/ m	1.3
Total Special Taxes	\$ 1,773.2	\$ 1,814.9	2.4%	-3.3%	\$ 4,744.8
Institutional Payments	19.8	19.9	0.5%	-39.7%	49.7
Liquor Transfers:					
Profits	12.5	14.0	12.0%	12.5%	36.0
7% Gross Revenue	3.8	3.8	0.0%	0.0%	9.0
Interest	9.8	8.2	-16.3%	-21.4%	26.0
Fees	23.8	27.1	13.9%	28.1%	66.3
Judicial Revenue	19.0	17.1	-10.0%	-3.5%	52.3
Miscellaneous Receipts	32.9	22.2	-32.5%	-82.7%	52.7
Racing and Gaming Receipt	60.0	60.0	0.0%	-62.1%	60.0
TOTAL RECEIPTS	\$ 1,954.8	\$ 1,987.2	1.7%	-6.3%	\$ 5,096.8
					\$ 4,952.9
					48.2
					36.0
					9.0
					20.0
					67.8
					56.0
					44.4
					60.0
					5,294.3
					3.9%
					4.4%
					-3.0%
					0.0%
					0.0%
					-23.1%
					2.3%
					7.1%
					-15.7%
					0.0%