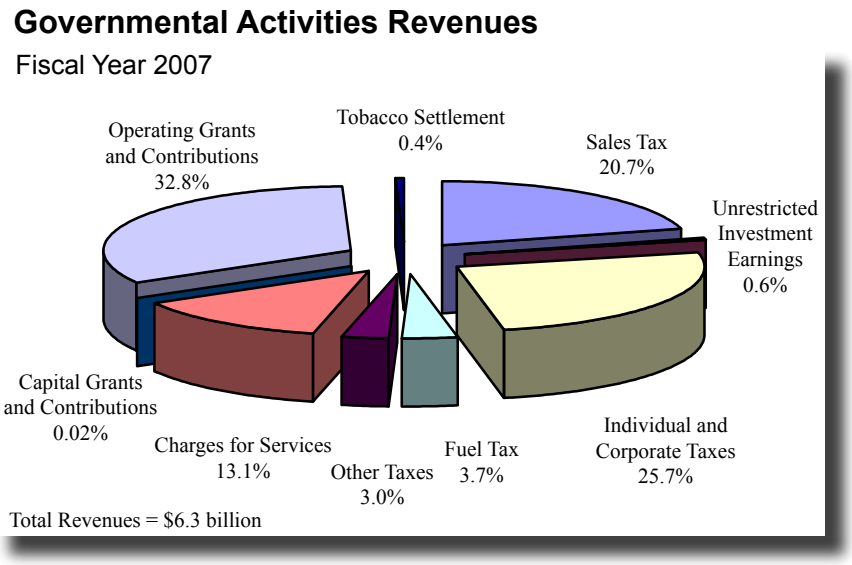
Revenues and Expenses

The collection of taxes is the largest source of revenue for Idaho. State income taxes are collected from both individuals earning wages and businesses earning profits in Idaho. This past year the amount of individual tax collected was $1.4 billion and the amount of sales tax collected was $1.3 billion. Sales tax is collected on retail transactions occurring in Idaho.

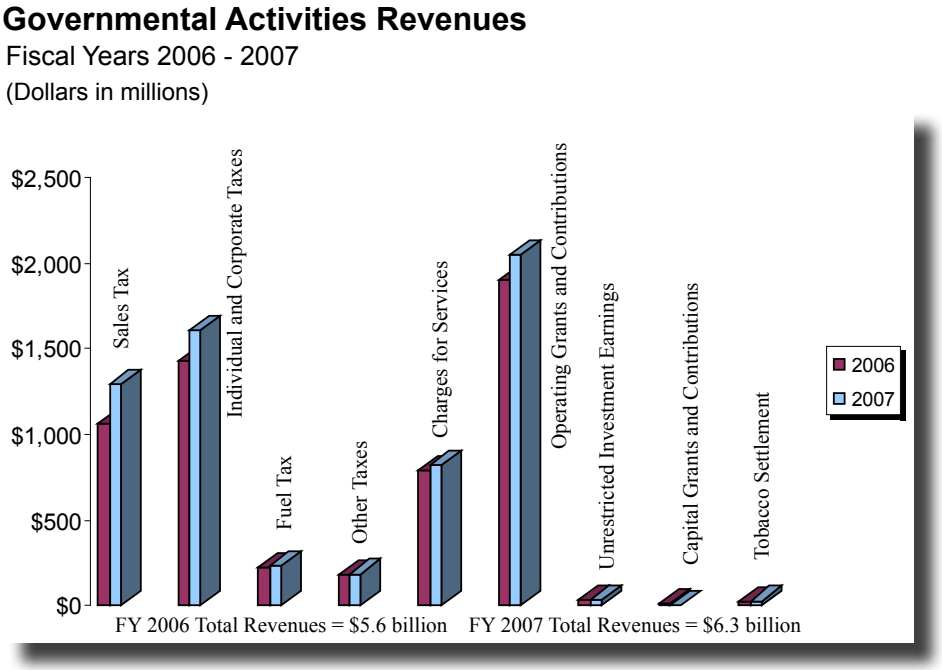


Data Source: Comprehensive Annual Financial Report
Includes governmental and internal service funds

Federal grants of $2.1 billion are the next largest source of revenue for Idaho. Grants are awarded for specific purposes. For example, the U.S. Department of Health and Human Services gives grant money to Idaho for Medicaid and child support services. Grant money is also given for the maintenance and construction of highways, education, and many other purposes. The remaining revenue come from fees for services, charges for permits issued to business and individuals, investment earnings, and other miscellaneous types of income.

The most significant increase in governmental revenue from fiscal year 2006 to 2007 was $234.2 million in sales tax revenue due to a 1 percent sales tax increase that began in October 2006 as a result of the Property Tax Relief Act of 2006. The Act passed during a special legislative session in August 2006 to reduce property taxes. The Act eliminated the public schools maintenance and operation levy on Idaho real property. In order to protect education funding, the Act appropriated additional funds from the General Fund to public schools for maintenance and operation to compensate for the loss of the property tax revenue.

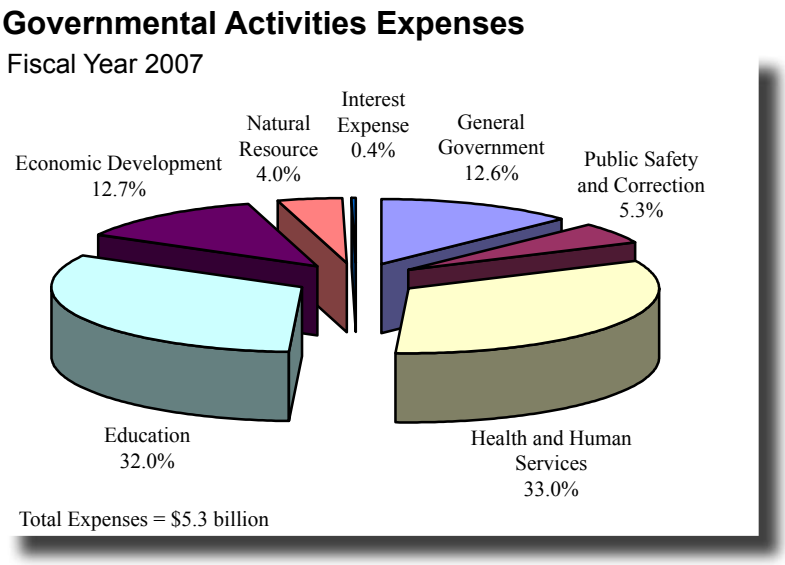
Individual and corporate income tax revenue increased $173.0 million due to increasing levels of employment and personal income. In addition, revenue from operating grants and contributions increased $147.9 million mainly due to increased federal grants for health care assistance and infrastructure; as well as increased investment earnings from investment of revenues earned from lands granted by the federal government upon statehood.



Data Source: Comprehensive Annual Financial Report
Includes governmental and internal service funds

Each year the Idaho Legislature sets a budget for the State. This past year the two largest programs in the State were health and human services and education.

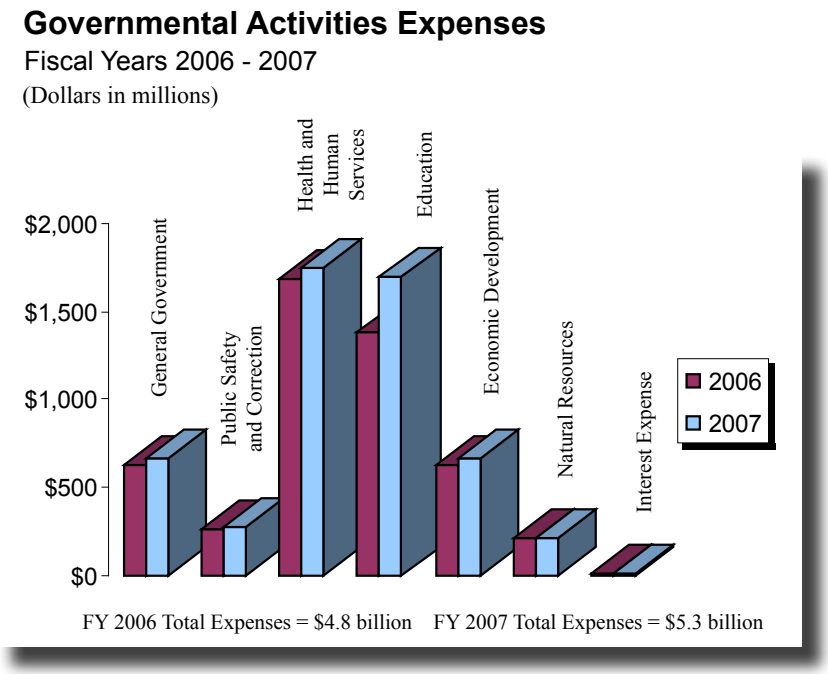
Health and human services spent more than $1.7 billion of the State's budget, with Medicaid programs receiving over half of the $1.7 billion. Medicaid assists those who are unable to pay for medical and dental services because of low income, youth, old age, pregnancy, or disability. Additional health and human service programs include an AIDS drug assistance program, child adoption, children's mental health, and child protection referrals.



Data Source: Comprehensive Annual Financial Report
Includes governmental and internal service funds

The second-largest share of state funds was spent on education, accounting for almost $1.7 billion of expenses in fiscal year 2007. The money was used for public schools and other education. The remaining governmental expenses were for programs such as general government, natural resources, and public safety and correction. The government-wide operating statement can be found in the State's Comprehensive Annual Financial Report on pages 16-17.

The most significant increase in governmental expenses from fiscal year 2006 to 2007 was the increase in education expenses of $306.2 million mainly due to an increased public school distribution for facilities improvements, salaries, and operating expenses. Health and human services increased by $64.0 million. The increase was due to greater medical assistance payments, mainly related to Medicaid and rehabilitation service payments. Economic development expenses increased by $34.5 million, mainly due to highway infrastructure projects.



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