

Revenue Estimating Conference Minutes April 6, 2007

Members present: Dennis Prouty, Charles Krogmeier, David Underwood

Mr. Prouty called the Revenue Estimating Conference to order at 10:00 a.m. and welcomed Charles Krogmeier as a new committee member.

Approval of Minutes of December 12, 2006 Meeting

Motion made by Mr. Underwood, seconded by Mr. Krogmeier to approve the minutes of the December 12, 2006 meeting as printed. Motion carried.

Review Fiscal Year 2007 General Fund Estimates, Lottery and Other Transfers, Accruals, Refunds, and Gambling Revenues Transferred to Other Funds

Mr. Prouty stated that the order of business would be to review the FY07 and FY08 estimates.

Mr. Prouty shared that the Legislative Service Agency (LSA) estimate included the tax law changes, primarily the cigarette tax, that have been signed into law creating a net increase of \$15.9 million. From an overall standpoint, LSA is of the opinion that the economy is slowing a little bit.

Mr. Krogmeier explained that the Governor's Appointee estimate was only slightly different showing less sales tax revenue in 2007 and more personal income tax revenue in 2008 than the LSA estimate. He added that the estimate reflected approximately \$13.5M more for corporate income tax than LSA estimate and he believes that is reflected in the numbers that continue to come in. There are still a lot of strong corporate profits from the economic reports for 2005 and 2006, which are now being collected. He anticipates that 2008 and possibly 2009 won't be as strong.

Mr. Underwood agreed relative to the general economic conditions. He added that he didn't see anything that shows a tremendous growth for Iowa that would be outside of what we're seeing nationally.

Mr. Underwood made motion, seconded by Mr. Krogmeier to accept the FY07 LSA estimate of Net General Fund Receipts of \$5,613.4M. Motion carried.

Review Fiscal Year 2008 General Fund Estimates, Lottery and Other Transfers, Accruals, Refunds, and Revenues Transferred to Other Funds.

Mr. Krogmeier commented that the Governor's Appointee Estimate shows corporate income tax coming in stronger than the LSA estimate. He added that LSA estimate was higher on the accruals than the Governor's Appointee Estimate

Mr. Underwood shared that everything pointed to less growth in corporate income reporting.

Mr. Underwood made motion, seconded by Mr. Krogmeier to accept the FY08 LSA estimate of Net General Fund Receipts for of \$5,885.7M. Motion carried.

With LSA and Governor's Appointee FY07 and FY08 Estimated Gambling Revenue Deposited to Other Funds being the same, Mr. Krogmeier made motion, seconded by Mr. Underwood to accept the estimates for FY07 of \$207.6M and for FY08 of \$210.9M. Motion carried.

Other Business

With no further business, Mr. Krogmeier made motion, seconded by Mr. Underwood to adjourn. Motion carried.

Respectfully submitted

A handwritten signature in cursive script, reading "Marcia E. Murrow".

Marcia E. Murrow
Secretary
Department of Management