

Revenue Estimating Conference December 9, 1999

Cynthia Eisenhower called the Revenue Estimating Conference to order at 10:00 a.m. with all members present.

Minutes of the October 18, 1999 meeting were approved as distributed.

She stated today's task was to update the FY2000 and FY2001 revenue estimates. Also to review refunds, lottery proceeds and estimate proceeds to the rebuild Iowa infrastructure fund.

The first order of business was to consider General Fund projections for FY00 and FY01. The Economic Forecasting Council met, and discussion focused on how little had changed in the economy since the last Revenue Estimating Conference meeting. November receipts grew a healthy 5.4%, bringing year to date receipts to nearly 2%, offering hope that second half growth in FY00 will be stronger than the first half. That is probably why the DOM estimates and LFB estimates are so close, even though we arrived at them independently.

The one area where both LFB and DOM project a substantial increase in receipts is in inheritance tax, largely because of substantially higher than anticipated receipts during the last two months of the calendar year.

There isn't much difference in the estimates for either year, except maybe in use tax where DOM projects a flat level of receipts in FY00, while LFB increases use tax by 3.5%. Cynthia told Dennis she was interested in the reasons for his projected increase. Dennis responded saying it is trailing right now and is not sure they see anything to warrant taking it down.

Cynthia asked David if the FY00 and FY01 projections above the line by LFB appear to be reasonable to him. David replied that \$2.3 million would be the difference. That adjustment would need to be made for both years because the 5% projection would carry over.

Cynthia said Dennis has thoughtfully supported DOM's estimates in past meetings when our estimates were so close, and if he had no objection, would like to return the favor and propose adopting the LFB projections of \$5,060.3 in total receipts for FY00, and \$5,273.4 for FY01. Motion made by David, seconded by Dennis to adopt Fiscal Bureau receipts for FY2000 and FY2001. Motion adopted.

The refund estimates are the same and reflect DRF's best guess. Motion made by David, seconded by Dennis to adopt refund estimates. Motion carried.

Lottery proceeds and estimated gambling revenues transferred to the rebuild Iowa infrastructure account are also the same for both years. Dennis made motion, seconded by David to adopt the Lottery and transfer to rebuild Iowa infrastructure estimates. Motion carried.

With no further business to bring before the Council, the meeting was adjourned.