

Revenue Estimating Conference Minutes December 14, 2004

Members present: Dennis Prouty, David Underwood, Mike Ralston.

Dennis Prouty called the Revenue Estimating Conference to order at 3:00 p.m. and reviewed agenda items for discussion.

Approval of Minutes of October 11, 2004 meeting

Motion made by David Underwood, seconded by Mike Ralston to approve the Minutes of the October 11, 2004 meeting as printed. Motion carried.

Review Fiscal Year 2005 General Fund Estimates, Lottery and Other Transfers, Accruals, Refunds, and Gambling Revenues Transferred to Other Funds

Referring to the spreadsheet of estimates, Mr. Prouty noted there was little difference in Legislative Service Agency (LSA) and Department of Management (DOM) estimates. The differences are in sales tax and corporate income tax. The economy is moving in the right direction.

Mr. Ralston also felt the economy is strong with increased revenues.

Mr. Underwood shared that it appears from withholdings, employment is staying good. There has been some job growth in Iowa that seems to be continuing. The biggest factor appears to be the increase in the average wage. Mr. Underwood is hearing from different businesses that they feel like they're coming out of the recession. This is reflected in the increase in income tax and corporate tax.

Mr. Underwood made motion, seconded by Mr. Ralston to adopt the LSA estimates for Total Tax & Other Receipts of \$5,339.5B. Motion carried.

Mr. Underwood made motion, seconded by Mr. Ralston to adopt LSA estimates for Net General Fund Receipts of \$4,746.2B. Motion carried.

Mr. Ralston made motion, seconded by Mr. Underwood to adopt LSA estimates for Gambling Revenues of \$150.9M. Motion carried.

Review Fiscal Year 2006 General Fund Estimates, Lottery and Other Transfers, Accruals, Refunds, and Revenues Transferred to Other Funds.

Mr. Prouty explained the differences in the FY06 estimates are in the personal income tax and corporate income tax receipts. When comparing the DOM and LSA estimates, there is very little difference in the Total Tax & Other Receipts.

Mr. Underwood shared there is nothing to show there will be a huge surge in the economy. Other states are also experiencing a slow growth.

Mr. Underwood made motion, seconded by Mr. Ralston to adopt the LSA estimates for Total Tax & Other Receipts of \$5,495.7B, which is a 1.8% growth. Motion carried.

Mr. Prouty explained that the Department of Revenue plans on changing the withholding tables in April. That change is reflected in the FY06 LSA estimates.

Mr. Underwood expressed his appreciation to the Department of Revenue for all the additional work that's been done on refunds. It's been very helpful. He feels more comfortable with the estimates and understands why refunds are decreasing. It's been very well analyzed.

Motion made by Mr. Underwood, seconded by Mr. Ralston to accept LSA estimates of \$4,903B for Net General Fund Receipts. Motion carried.

Motion made by Mr. Ralston, seconded by Mr. Underwood to accept Gambling Revenues estimates of \$150.9M. Motion carried.

Other Business

With no further business, Mr. Underwood moved to adjourn.