

FISCAL UPDATE Article

Fiscal Services Division

March 15, 2019



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REVENUE ESTIMATING CONFERENCE — MARCH 2019

Revenue Estimate. The Revenue Estimating Conference (REC) met on March 15, 2019, and increased the FY 2019 General Fund receipts by \$5.0 million (0.1%) compared to the December estimate. This is the same change as on the General Fund balance sheet, since there have been no law changes during the time between the two estimates.

Fiscal Year 2019. The March REC estimate for FY 2019 net General Fund receipts, including transfers, totals \$7.734 billion, an increase of \$349.7 million (4.7%) compared to actual FY 2018. The estimated changes include increases of 2.7% in gross income tax, 5.8% in gross sales/use tax, and 15.5% in gross corporate tax receipts. The following table provides additional details for the FY 2019 revenue projection.

	December Estimate	March Estimate	Change Compared To		
			December Estimate	FY 2018 Actual	
Personal Income Tax	\$ 4,911.4	\$ 4,874.5	\$ -36.9	\$ 127.8	2.7%
Sales/Use Tax	3,146.5	3,113.5	-33.0	172.0	5.8%
Corporate Income Tax	624.9	652.8	27.9	87.8	15.5%
Insurance Tax	122.5	139.4	16.9	17.6	14.4%
Other Tax	144.3	156.1	11.8	10.9	7.5%
Total Taxes	\$ 8,949.6	\$ 8,936.3	\$ -13.3	\$ 416.1	4.9%
Other Receipts	311.3	317.1	5.8	6.5	2.1%
Gross Tax & Other Receipts	\$ 9,260.9	\$ 9,253.4	\$ -7.5	\$ 422.6	4.8%
Accruals (Net)	19.0	26.0	7.0	-22.0	
Refund (Accrual Basis)	-1,163.0	-1,156.0	7.0	-20.9	1.8%
School Infrastructure Refunds (Accrual)	-510.8	-512.3	-1.5	-31.5	6.6%
Total Net Receipts	\$ 7,606.1	\$ 7,611.1	\$ 5.0	\$ 348.2	4.8%
Transfers (Accrual Basis)	122.5	122.5	0.0	1.5	1.2%
Total Receipts Plus Transfers	\$ 7,728.6	\$ 7,733.6	\$ 5.0	\$ 349.7	4.7%

Fiscal Year 2020. The REC established an estimate of \$7.848 billion for FY 2020. This is an increase of \$114.8 million (1.5%) compared to the revised FY 2019 estimate. Compared to the General Fund balance sheet and December estimate, this is a decrease of \$20.0 million. The estimated changes include a decrease of 0.9% in gross income tax, an increase of 6.5% in gross sales/use tax, and

approximately no change in gross corporate tax receipts. The following table provides additional detail for the FY 2020 revenue projection.

FY 2020 Revenue Estimating Conference Projection				
Dollars in Millions				
	FY 2019 Estimate	March Estimate	Change Compared to FY 2019 Estimate	
Personal Income Tax	\$ 4,874.5	\$ 4,830.8	\$ -43.7	-0.9%
Sales/Use Tax	3,113.5	3,316.1	202.6	6.5%
Corporate Income Tax	652.8	653.0	0.2	0.0%
Insurance Tax	139.4	129.4	-10.0	-7.2%
Other Tax	156.1	179.4	23.3	14.9%
Total Taxes	\$ 8,936.3	\$ 9,108.7	\$ 172.4	1.9%
Other Receipts	317.1	312.5	-4.6	-1.5%
Gross Tax & Other Receipts	\$ 9,253.4	\$ 9,421.2	\$ 167.8	1.8%
Accruals (Net)	26.0	14.5	-11.5	
Refund (Accrual Basis)	-1,156.0	-1,153.0	3.0	-0.3%
School Infrastructure Refunds (Accrual)	-512.3	-549.5	-37.2	7.3%
Total Net Receipts	\$ 7,611.1	\$ 7,733.2	\$ 122.1	1.6%
Transfers (Accrual Basis)	122.5	115.2	-7.3	-6.0%
Total Receipts Plus Transfers	\$ 7,733.6	\$ 7,848.4	\$ 114.8	1.5%

Fiscal Year 2021. The REC also established an estimate of \$8.050 billion in General Fund receipts for FY 2021. This is an increase of \$201.6 million (2.6%) compared to the FY 2020 estimate.

Next Meeting. The next REC meeting has not been scheduled but will likely occur in October 2019. A detailed spreadsheet of the REC estimates is available on the Legislative Services Agency (LSA) [website](#).

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