

FISCAL UPDATE Article

Fiscal Services Division

March 12, 2020



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Des Moines, Iowa 50319

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REVENUE ESTIMATING CONFERENCE — MARCH 2020

Revenue Estimate Summary. The Revenue Estimating Conference (REC) met on March 12, 2020, and increased the estimated FY 2020 net General Fund receipts projection by \$76.1 million compared to the FY 2020 REC December estimate. The REC decreased the FY 2021 estimate by \$12.3 million compared to the FY 2021 December estimate.

Fiscal Year 2020. The March REC estimate for FY 2020 net General Fund receipts, including transfers, totals \$8.091 billion, an increase of \$231.9 million (3.0%) compared to actual FY 2019. The estimated changes include increases of 1.0% in gross personal income tax, 6.2% in gross sales/use tax, and 2.9% in gross corporate income tax receipts. The following table provides additional detail for the FY 2020 revenue projection.

FY 2020 Revenue Estimating Conference Projection

Dollars in Millions

	Actual FY 2019	December FY 2020 Estimate	March FY 2020 Estimate	Change to December Estimate	Change Compared to FY 2019 Actual	
Personal Income Tax	\$ 4,944.0	\$ 4,949.0	\$ 4,995.1	\$ 46.1	\$ 51.1	1.0%
Sales/Use Tax	3,045.5	3,224.3	3,233.4	9.1	187.9	6.2%
Corporate Tax	706.3	728.6	726.5	-2.1	20.2	2.9%
Other Taxes	321.3	315.5	306.6	-8.9	-14.7	-4.6%
Total Taxes	\$ 9,017.1	\$ 9,217.4	\$ 9,261.6	\$ 44.2	\$ 244.5	2.7%
Other Receipts	334.5	326.4	330.3	3.9	-4.2	-1.3%
Gross Tax and Receipts	\$ 9,351.6	\$ 9,543.8	\$ 9,591.9	\$ 48.1	\$ 240.3	2.6%
Accruals (Net)	19.2	6.8	16.8	10.0	-2.4	
Refund (Accrual Basis)	-1,131.9	-1,127.0	-1,093.0	34.0	38.9	-3.4%
School Infrast. Refunds (Accrual)	-503.1	-522.0	-534.0	-12.0	-30.9	6.1%
Total Net Receipts	\$ 7,735.8	\$ 7,901.6	\$ 7,981.7	\$ 80.1	\$ 245.9	3.2%
Transfers (Accrual Basis)	\$ 123.0	\$ 113.0	\$ 109.0	\$ -4.0	\$ -14.0	-11.4%
Net Receipts Plus Transfers	\$ 7,858.8	\$ 8,014.6	\$ 8,090.7	\$ 76.1	\$ 231.9	3.0%

Fiscal Year 2021. The estimate for FY 2021 net General Fund receipts, including transfers, totals \$8.237 billion, an increase of \$146.0 million (1.8%) compared to the FY 2020 estimate. The estimated changes include increases of 1.1% in gross personal income tax, 3.4% in gross sales/use tax, and a decrease of 4.7% in gross corporate income tax receipts. The following table provides additional detail for the FY 2021 revenue projection.

FY 2021 Revenue Estimating Conference Projection

Dollars in Millions

	<u>Actual</u> <u>FY 2019</u>	<u>March</u> <u>FY 2020</u> <u>Estimate</u>	<u>March</u> <u>FY 2021</u> <u>Estimate</u>	<u>Change</u> <u>Compared to</u> <u>FY 2020 Estimate</u>	
Personal Income Tax	\$ 4,944.0	\$ 4,995.1	\$ 5,050.6	\$ 55.5	1.1%
Sales/Use Tax	3,045.5	3,233.4	3,342.1	108.7	3.4%
Corporate Tax	706.3	726.5	692.2	-34.3	-4.7%
Other Taxes	321.3	306.6	316.4	9.8	3.2%
Total Taxes	\$ 9,017.1	\$ 9,261.6	\$ 9,401.3	\$ 139.7	1.5%
Other Receipts	334.5	330.3	330.6	0.3	0.1%
Gross Tax and Receipts	\$ 9,351.6	\$ 9,591.9	\$ 9,731.9	\$ 140.0	1.5%
Accruals (Net)	19.2	16.8	14.7	-2.1	
Refund (Accrual Basis)	-1,131.9	-1,093.0	-1,069.5	23.5	-2.2%
School Infrast. Refunds (Accrual)	-503.1	-534.0	-550.4	-16.4	3.1%
Total Net Receipts	\$ 7,735.8	\$ 7,981.7	\$ 8,126.7	\$ 145.0	1.8%
Transfers (Accrual Basis)	\$ 123.0	\$ 109.0	\$ 110.0	\$ 1.0	0.9%
Net Receipts Plus Transfers	\$ 7,858.8	\$ 8,090.7	\$ 8,236.7	\$ 146.0	1.8%

Fiscal Year 2022. The REC also established an estimate of \$8.574 billion in General Fund receipts for FY 2022. This is an increase of \$337.7 million (4.1%) compared to the FY 2021 estimate.

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

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