

FISCAL UPDATE Article

Fiscal Services Division

December 11, 2020



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

REVENUE ESTIMATING CONFERENCE — DECEMBER 2020

Revenue Estimate. The Revenue Estimating Conference (REC) met on December 11, 2020, and increased the estimated FY 2021 net General Fund receipts by \$57.6 million compared to the FY 2021 October estimate.

Fiscal Year 2021. The December REC estimate for FY 2021 net General Fund receipts, including transfers, totals \$7.969 billion, an increase of \$38.7 million (0.5%) compared to actual FY 2020. The following table provides additional detail for the FY 2021 revenue projection.

FY 2021 Revenue Estimating Conference Projection

Dollars in Millions

	<u>Actual FY 2020</u>	<u>October FY 2021 Estimate</u>	<u>December FY 2021 Estimate</u>	<u>Change Compared to October</u>	<u>Change Compared to FY 2020 Actual</u>	
Personal Income Tax	\$ 4,652.0	\$ 5,133.1	\$ 5,100.5	\$ -32.6	\$ 448.5	9.6%
Sales/Use Tax	3,176.1	3,264.5	3,274.0	9.5	97.9	3.1%
Corporate Tax	648.7	748.4	812.0	63.6	163.3	25.2%
Other Taxes	327.6	327.5	324.2	-3.3	-3.4	-1.0%
Total Taxes	<u>\$ 8,804.4</u>	<u>\$ 9,473.5</u>	<u>\$ 9,510.7</u>	<u>\$ 37.2</u>	<u>\$ 706.3</u>	<u>8.0%</u>
Other Receipts	331.7	304.8	293.5	-11.3	-38.2	-11.5%
Gross Tax and Receipts	<u>\$ 9,136.1</u>	<u>\$ 9,778.3</u>	<u>\$ 9,804.2</u>	<u>\$ 25.9</u>	<u>\$ 668.1</u>	<u>7.3%</u>
Accruals (Net)	307.7	-324.2	-307.2	17.0	-614.9	
Refund (Accrual Basis)	-1,120.3	-1,117.0	-1,101.7	15.3	18.6	-1.7%
School Infrast. Refunds (Accrual)	-507.6	-531.8	-534.0	-2.2	-26.4	5.2%
Total Net Receipts	<u>\$ 7,815.9</u>	<u>\$ 7,805.3</u>	<u>\$ 7,861.3</u>	<u>\$ 56.0</u>	<u>\$ 45.4</u>	<u>0.6%</u>
Transfers (Accrual Basis)	\$ 114.7	\$ 106.4	\$ 108.0	\$ 1.6	\$ -6.7	-5.8%
Net Receipts Plus Transfers	<u>\$ 7,930.6</u>	<u>\$ 7,911.7</u>	<u>\$ 7,969.3</u>	<u>\$ 57.6</u>	<u>\$ 38.7</u>	<u>0.5%</u>

Fiscal Year 2022. The REC established an estimate of \$8.266 billion for FY 2022. This is an increase of \$296.4 million (3.7%) compared to the revised FY 2021 estimate. The estimated changes include a decrease of 3.5% in gross personal income tax, an increase of 3.6% in gross sales/use tax, and a decrease of 7.2% in gross corporate income tax receipts. The following table provides additional detail for the FY 2022 revenue projection.

FY 2022 Revenue Estimating Conference Projection

Dollars in Millions

	Actual FY 2020	December FY 2021 Estimate	December FY 2022 Estimate	Change Compared to FY 2021 Estimate	
Personal Income Tax	\$ 4,652.0	\$ 5,100.5	\$ 4,922.5	\$ -178.0	-3.5%
Sales/Use Tax	3,176.1	3,274.0	3,391.9	117.9	3.6%
Corporate Tax	648.7	812.0	753.9	-58.1	-7.2%
Other Taxes	327.6	324.2	335.8	11.6	3.6%
Total Taxes	\$ 8,804.4	\$ 9,510.7	\$ 9,404.1	\$ -106.6	-1.1%
Other Receipts	331.7	293.5	297.0	3.5	1.2%
Gross Tax and Receipts	\$ 9,136.1	\$ 9,804.2	\$ 9,701.1	\$ -103.1	-1.1%
Accruals (Net)	307.7	-307.2	22.0	329.2	
Refund (Accrual Basis)	-1,120.3	-1,101.7	-1,014.1	87.6	-8.0%
School Infrast. Refunds (Accrual)	-507.6	-534.0	-553.3	-19.3	3.6%
Total Net Receipts	\$ 7,815.9	\$ 7,861.3	\$ 8,155.7	\$ 294.4	3.7%
Transfers (Accrual Basis)	\$ 114.7	\$ 108.0	\$ 110.0	\$ 2.0	1.9%
Net Receipts Plus Transfers	\$ 7,930.6	\$ 7,969.3	\$ 8,265.7	\$ 296.4	3.7%

Next Meeting. The next REC meeting will be held in March 2021. A detailed spreadsheet of the REC estimates is available on the Legislative Services Agency [website](#).

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