

FISCAL UPDATE Article

Fiscal Services Division

March 10, 2023



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Des Moines, Iowa 50319

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REVENUE ESTIMATING CONFERENCE — MARCH 2023

Revenue Estimate. The Revenue Estimating Conference (REC) met on March 10, 2023, and increased the estimated FY 2023 net General Fund receipts by \$135.2 million compared to the FY 2023 December estimate.

Fiscal Year 2023. The March REC estimate for FY 2023 net General Fund receipts, including transfers, totals \$9.750 billion, a decrease of \$53.0 million (-0.5%) compared to actual FY 2022. The estimated changes include a decrease of 2.5% in gross personal income tax, a decrease of 3.5% in gross sales/use tax, and an increase of 4.6% in gross corporate income tax receipts. The following table provides additional detail for the FY 2023 revenue projection.

FY 2023 Revenue Estimating Conference Projection

Dollars in Millions

	<u>Actual FY 2022</u>	<u>December FY 2023 Estimate</u>	<u>March FY 2023 Estimate</u>	<u>Change Compared to December</u>	<u>Change Compared to FY 2022 Actual</u>	
Personal Income Tax	\$ 5,780.1	\$ 5,576.6	\$ 5,634.4	\$ 57.8	\$ -145.7	-2.5%
Sales/Use Tax	3,853.7	3,984.9	3,720.3	-264.6	-133.4	-3.5%
Corporate Tax	919.0	952.2	961.0	8.8	42.0	4.6%
Other Taxes	403.4	346.8	584.8	238.0	181.4	45.0%
Total Taxes	\$ 10,956.2	\$ 10,860.5	\$ 10,900.5	\$ 40.0	\$ -55.7	-0.5%
Other Receipts	364.5	361.6	420.0	58.4	55.5	15.2%
Gross Tax and Receipts	\$ 11,320.7	\$ 11,222.1	\$ 11,320.5	\$ 98.4	\$ -0.2	0.0%
Accruals (Net)	-47.2	43.0	145.2	102.2	192.4	
Refund (Accrual Basis)	-1,028.8	-1,095.3	-1,095.0	0.3	-66.2	6.4%
School Infrast. Refunds (Accrual)	-571.3	-680.0	-749.7	-69.7	-178.4	31.2%
Total Net Receipts	\$ 9,673.4	\$ 9,489.8	\$ 9,621.0	\$ 131.2	\$ -52.4	-0.5%
Transfers (Accrual Basis)	\$ 130.0	\$ 125.4	\$ 129.4	\$ 4.0	\$ -0.6	-0.5%
Net Receipts Plus Transfers	\$ 9,803.4	\$ 9,615.2	\$ 9,750.4	\$ 135.2	\$ -53.0	-0.5%

Fiscal Year 2024. The REC established an estimate of \$9.650 billion for FY 2024. This is a decrease of \$100.1 million (-1.0%) compared to the revised FY 2023 estimate. The estimated changes include a decrease of 8.8% in gross personal income tax, an increase of 5.5% in gross sales/use tax, and a decrease of 7.0% in gross corporate income tax receipts. The following table provides additional detail for the FY 2024 revenue projection.

FY 2024 Revenue Estimating Conference Projection

Dollars in Millions

	Actual FY 2022	March FY 2023 Estimate	March FY 2024 Estimate	Change Compared to FY 2023 Estimate	
Personal Income Tax	\$ 5,780.1	\$ 5,634.4	\$ 5,136.2	\$ -498.2	-8.8%
Sales/Use Tax	3,853.7	3,720.3	3,924.7	204.4	5.5%
Corporate Tax	919.0	961.0	893.3	-67.7	-7.0%
Other Taxes	403.4	584.8	416.3	-168.5	-28.8%
Total Taxes	<u>\$ 10,956.2</u>	<u>\$ 10,900.5</u>	<u>\$ 10,370.5</u>	<u>\$ -530.0</u>	<u>-4.9%</u>
Other Receipts	364.5	420.0	425.1	5.1	1.2%
Gross Tax and Receipts	<u>\$ 11,320.7</u>	<u>\$ 11,320.5</u>	<u>\$ 10,795.6</u>	<u>\$ -524.9</u>	<u>-4.6%</u>
Accruals (Net)	-47.2	145.2	223.3	78.1	
Refund (Accrual Basis)	-1,028.8	-1,095.0	-842.2	252.8	-23.1%
School Infrast. Refunds (Accrual)	-571.3	-749.7	-655.8	93.9	-12.5%
Total Net Receipts	<u>\$ 9,673.4</u>	<u>\$ 9,621.0</u>	<u>\$ 9,520.9</u>	<u>\$ -100.1</u>	<u>-1.0%</u>
Transfers (Accrual Basis)	\$ 130.0	\$ 129.4	\$ 129.4	\$ 0.0	0.0%
Net Receipts Plus Transfers	<u><u>\$ 9,803.4</u></u>	<u><u>\$ 9,750.4</u></u>	<u><u>\$ 9,650.3</u></u>	<u><u>\$ -100.1</u></u>	<u><u>-1.0%</u></u>

Fiscal Year 2025. The March REC estimate for FY 2025 net General Fund receipts, including transfers, totals \$9.741 billion, an increase of 0.9% compared to the revised FY 2024 projection.

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

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