

# FISCAL UPDATE Article

Fiscal Services Division

March 18, 2024



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## REVENUE ESTIMATING CONFERENCE — MARCH 2024

**Revenue Estimate.** The Revenue Estimating Conference (REC) met on March 15, 2024, and decreased the estimated FY 2024 net General Fund receipts by \$120.0 million compared to the FY 2024 December estimate.

**Fiscal Year 2024.** The March REC estimate for FY 2024 net General Fund receipts, including transfers, totals \$9.627 billion, a decrease of \$218.8 million (-2.2%) compared to actual FY 2023. The estimated changes include a decrease of 9.9% in gross personal income tax, an increase of 6.2% in gross sales/use tax, and a decrease of 0.1% in gross corporate income tax receipts. The following figure provides additional detail for the FY 2024 revenue projection.

### FY 2024 Revenue Estimating Conference Projection

Dollars in Millions

	Actual FY 2023	December FY 2024 Estimate	March FY 2024 Estimate	Change Compared to December	Change Compared to FY 2023 Actual	
Personal Income Tax	\$ 5,599.3	\$ 5,226.7	\$ 5,044.0	\$ -182.7	\$ -555.3	-9.9%
Sales/Use Tax	3,937.1	4,138.1	4,180.1	42.0	243.0	6.2%
Corporate Tax	984.1	998.9	982.7	-16.2	-1.4	-0.1%
Other Taxes	563.8	671.8	932.8	261.0	369.0	65.4%
Total Taxes	\$ 11,084.3	\$ 11,035.5	\$ 11,139.6	\$ 104.1	\$ 55.3	0.5%
Other Receipts	428.8	431.8	439.0	7.2	10.2	2.4%
Gross Tax and Receipts	\$ 11,513.1	\$ 11,467.3	\$ 11,578.6	\$ 111.3	\$ 65.5	0.6%
Accruals (Net)	146.6	129.2	134.7	5.5	-11.9	
Refund (Accrual Basis)	-1,230.3	-1,304.4	-1,534.5	-230.1	-304.2	24.7%
School Infrast. Refunds (Accrual)	-708.1	-693.1	-694.5	-1.4	13.6	-1.9%
Total Net Receipts	\$ 9,721.3	\$ 9,599.0	\$ 9,484.3	\$ -114.7	\$ -237.0	-2.4%
Transfers (Accrual Basis)	\$ 124.0	\$ 147.5	\$ 142.2	\$ -5.3	\$ 18.2	14.7%
<b>Net Receipts Plus Transfers</b>	<b>\$ 9,845.3</b>	<b>\$ 9,746.5</b>	<b>\$ 9,626.5</b>	<b>\$ -120.0</b>	<b>\$ -218.8</b>	<b>-2.2%</b>

**Fiscal Year 2025.** The REC established an estimate of \$9.698 billion for FY 2025. This is an increase of \$71.3 million (0.7%) compared to the FY 2024 estimate. The estimated changes include an increase of 9.5% in gross personal income tax, an increase of 4.3% in gross sales/use tax, and a decrease of 3.8% in gross corporate income tax receipts. The following figure provides additional detail for the FY 2025 revenue projection.

## FY 2025 Revenue Estimating Conference Projection

Dollars in Millions

	<b>Actual FY 2023</b>	<b>March FY 2024 Estimate</b>	<b>March FY 2025 Estimate</b>	<b>Change Compared to FY 2024 Estimate</b>	
Personal Income Tax	\$ 5,599.3	\$ 5,044.0	\$ 5,523.4	\$ 479.4	9.5%
Sales/Use Tax	3,937.1	4,180.1	4,361.3	181.2	4.3%
Corporate Tax	984.1	982.7	945.4	-37.3	-3.8%
Other Taxes	563.8	932.8	322.4	-610.4	-65.4%
<b>Total Taxes</b>	<b>\$ 11,084.3</b>	<b>\$ 11,139.6</b>	<b>\$ 11,152.5</b>	<b>\$ 12.9</b>	<b>0.1%</b>
Other Receipts	428.8	439.0	416.0	-23.0	-5.2%
<b>Gross Tax and Receipts</b>	<b>\$ 11,513.1</b>	<b>\$ 11,578.6</b>	<b>\$ 11,568.5</b>	<b>\$ -10.1</b>	<b>-0.1%</b>
Accruals (Net)	146.6	134.7	-164.8	-299.5	
Refund (Accrual Basis)	-1,230.3	-1,534.5	-1,119.2	415.3	-27.1%
School Infrast. Refunds (Accrual)	-708.1	-694.5	-717.6	-23.1	3.3%
<b>Total Net Receipts</b>	<b>\$ 9,721.3</b>	<b>\$ 9,484.3</b>	<b>\$ 9,566.9</b>	<b>\$ 82.6</b>	<b>0.9%</b>
Transfers (Accrual Basis)	\$ 124.0	\$ 142.2	\$ 130.9	\$ -11.3	-7.9%
<b>Net Receipts Plus Transfers</b>	<b>\$ 9,845.3</b>	<b>\$ 9,626.5</b>	<b>\$ 9,697.8</b>	<b>\$ 71.3</b>	<b>0.7%</b>

**Fiscal Year 2026.** The March REC estimate for FY 2026 net General Fund receipts, including transfers, totals \$9.601 billion, a decrease of 1.0% compared to the revised FY 2025 projection.

**New REC Member.** With the retirement of David Underwood, and pursuant to Iowa Code section [8.22A](#), Jeff Plagge has been designated as the public member on the REC. The other two members are Kraig Paulsen, Director of the Department of Management, and Jennifer Acton, Director of the Fiscal Services Division of the Legislative Services Agency.

**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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