

# FISCAL UPDATE Article

Fiscal Services Division

December 11, 2025



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

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## REVENUE ESTIMATING CONFERENCE — DECEMBER 2025

**Revenue Estimate.** The Revenue Estimating Conference (REC) met on December 11, 2025, and increased the estimated FY 2026 net General Fund receipts by \$23.4 million compared to the FY 2026 October estimate.

**Fiscal Year 2026.** The December REC estimate for FY 2026 net General Fund receipts, including transfers, totals \$8.158 billion, a decrease of \$784.7 million (-8.8%) compared to actual FY 2025. The estimated changes include a decrease of 11.5% in gross personal income tax, an increase of 3.9% in gross sales/use tax, and a decrease of 12.4% in gross corporate income tax receipts. **Figure 1** provides additional detail for the FY 2026 revenue projection.

**Figure 1 — FY 2026 Revenue Estimating Conference Projection**

Dollars in Millions

	<u>Actual FY 2025</u>	<u>October FY 2026 Estimate</u>	<u>December FY 2026 Estimate</u>	<u>Change Compared to October</u>	<u>Change Compared to FY 2025 Actual</u>	
Personal Income Tax	\$ 4,947.5	\$ 4,366.6	\$ 4,380.0	\$ 13.4	\$ -567.5	-11.5%
Sales/Use Tax	4,234.9	4,352.2	4,402.0	49.8	167.1	3.9%
Corporate Tax	825.1	730.5	723.0	-7.5	-102.1	-12.4%
Other Taxes	703.4	408.2	383.2	-25.0	-320.2	-45.5%
Total Taxes	<u>\$ 10,711.0</u>	<u>\$ 9,857.5</u>	<u>\$ 9,888.2</u>	<u>\$ 30.7</u>	<u>\$ -822.8</u>	<u>-7.7%</u>
Other Receipts	485.9	388.0	399.9	11.9	-86.0	-17.7%
Gross Tax and Receipts	<u>\$ 11,196.9</u>	<u>\$ 10,245.5</u>	<u>\$ 10,288.1</u>	<u>\$ 42.6</u>	<u>\$ -908.8</u>	<u>-8.1%</u>
Accruals (Net)	-196.1	15.4	15.4	0.0	211.5	
Refund (Accrual Basis)	-1,481.1	-1,530.4	-1,559.9	-29.5	-78.8	5.3%
School Infrast. Refunds (Accrual)	-694.1	-711.9	-706.6	5.3	-12.5	1.8%
Total Net Receipts	<u>\$ 8,825.7</u>	<u>\$ 8,018.6</u>	<u>\$ 8,037.0</u>	<u>\$ 18.4</u>	<u>\$ -788.7</u>	<u>-8.9%</u>
Transfers (Accrual Basis)	\$ 116.5	\$ 115.5	\$ 120.5	\$ 5.0	\$ 4.0	3.4%
<b>Net Receipts Plus Transfers</b>	<u><b>\$ 8,942.2</b></u>	<u><b>\$ 8,134.1</b></u>	<u><b>\$ 8,157.5</b></u>	<u><b>\$ 23.4</b></u>	<u><b>\$ -784.7</b></u>	<u><b>-8.8%</b></u>

**Fiscal Year 2027.** The REC estimate for FY 2027 net General Fund receipts, including transfers, totals \$8.499 billion. This is an increase of \$341.0 million (4.2%) compared to the FY 2026 estimate. The estimated changes include an increase of 5.1% in gross personal income tax, an increase of 3.3% in gross sales/use tax, and a decrease of 2.9% in gross corporate income tax receipts. **Figure 2** provides additional detail for the FY 2027 revenue projection.

**Figure 2 — FY 2027 Revenue Estimating Conference Projection**  
Dollars in Millions

	<b>Actual FY 2025</b>	<b>December FY 2026 Estimate</b>	<b>December FY 2027 Estimate</b>	<b>Change Compared to FY 2026 Estimate</b>	
Personal Income Tax	\$ 4,947.5	\$ 4,380.0	\$ 4,605.2	\$ 225.2	5.1%
Sales/Use Tax	4,234.9	4,402.0	4,546.7	144.7	3.3%
Corporate Tax	825.1	723.0	702.0	-21.0	-2.9%
Other Taxes	703.4	383.2	355.7	-27.5	-7.2%
<b>Total Taxes</b>	<b>\$ 10,711.0</b>	<b>\$ 9,888.2</b>	<b>\$ 10,209.6</b>	<b>\$ 321.4</b>	<b>3.3%</b>
Other Receipts	485.9	399.9	392.8	-7.1	-1.8%
<b>Gross Tax and Receipts</b>	<b>\$ 11,196.9</b>	<b>\$ 10,288.1</b>	<b>\$ 10,602.4</b>	<b>\$ 314.3</b>	<b>3.1%</b>
Accruals (Net)	-196.1	15.4	9.2	-6.2	
Refund (Accrual Basis)	-1,481.1	-1,559.9	-1,514.4	45.5	-2.9%
School Infrast. Refunds (Accrual)	-694.1	-706.6	-720.7	-14.1	2.0%
<b>Total Net Receipts</b>	<b>\$ 8,825.7</b>	<b>\$ 8,037.0</b>	<b>\$ 8,376.5</b>	<b>\$ 339.5</b>	<b>4.2%</b>
Transfers (Accrual Basis)	\$ 116.5	\$ 120.5	\$ 122.0	\$ 1.5	1.2%
<b>Net Receipts Plus Transfers</b>	<b>\$ 8,942.2</b>	<b>\$ 8,157.5</b>	<b>\$ 8,498.5</b>	<b>\$ 341.0</b>	<b>4.2%</b>

**Next Meeting.** The next REC meeting will be held in March 2025. A detailed spreadsheet of the REC estimates is available on the Iowa Legislature [website](#).

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Doc ID 1545364