

FISCAL UPDATE Article

Fiscal Services Division

December 12, 2017



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

REVENUE ESTIMATING CONFERENCE — DECEMBER 2017 MEETING

Revenue Estimate Summary. The Revenue Estimating Conference (REC) met on December 11, 2017, and did not change the FY 2018 estimate of General Fund receipts. The FY 2019 estimate of General Fund receipts was decreased by \$9.3 million (-0.1%) compared to the October estimate.

Fiscal Year 2018 Revenues. The December REC estimate for FY 2018 is a readoption of the October REC estimate. Total General Fund receipts, including transfers, total \$7.237 billion, a decrease of \$2.5 million (rounded 0.0%) compared to actual FY 2017. The estimated changes include increases of 4.2% in gross income tax, 3.8% in gross sales/use tax, and 7.8% in gross corporate tax receipts. The following table provides additional detail for the FY 2018 revenue projection:

FY 2018 Revenue Estimating Conference Projection						
(Dollars in Millions)						
	Actual FY 2017	October FY 2018 Adj. Est.	December FY 2018 Estimate	Increase (Decrease) to October Estimate	Increase (Decrease) to Actual FY 2017	Percentage Change to Actual FY 2017
Income Tax	\$ 4,469.0	\$ 4,655.7	\$ 4,655.7	\$ 0.0	\$ 186.7	4.2%
Sales/Use Tax	2,812.3	2,917.9	2,917.9	0.0	105.6	3.8%
Corporate Tax	549.7	592.8	592.8	0.0	43.1	7.8%
Other Taxes	270.1	263.0	263.0	0.0	-7.1	-2.6%
Total Taxes	\$ 8,101.1	\$ 8,429.4	\$ 8,429.4	\$ 0.0	\$ 328.3	4.1%
Other Receipts	310.1	293.6	293.6	0.0	-16.5	-5.3%
Gross Tax & Other Receipts	\$ 8,411.2	\$ 8,723.0	\$ 8,723.0	\$ 0.0	\$ 311.8	3.7%
Accruals (Net)	73.5	-13.3	-13.3	0.0	-86.8	-118.1%
Refunds (Accrual Basis)	-1,059.8	-1,108.5	-1,108.5	0.0	-48.7	4.6%
Schl. Infras. Refunds (Accrual)	-460.4	-473.0	-473.0	0.0	-12.6	2.7%
Total Net Receipts	\$ 6,964.5	\$ 7,128.2	\$ 7,128.2	\$ 0.0	\$ 163.7	2.4%
Transfers (Accrual Basis)	275.5	109.3	109.3	0.0	-166.2	-60.3%
Net Receipts Plus Transfers	<u>\$ 7,240.0</u>	<u>\$ 7,237.5</u>	<u>\$ 7,237.5</u>	<u>\$ 0.0</u>	<u>\$ -2.5</u>	<u>0.0%</u>

Fiscal Year 2019 Revenues. The REC established an estimate of \$7.527 billion for FY 2019. This is an increase of \$289.5 million (4.0%) compared to the FY 2018 estimate. The estimated changes include increases of 4.5% in gross income tax, 3.4% in gross sales/use tax, and 1.1% in gross corporate tax receipts. The following table provides additional detail for the FY 2019 revenue projection:

FY 2019 Revenue Estimating Conference Projection

(Dollars in Millions)

	December FY 2018 Estimate	October FY 2019 Estimate	Increase (Decrease) to Estimated FY 2018	Percentage Change to Estimated FY 2018
Income Tax	\$ 4,655.7	\$ 4,865.9	\$ 210.2	4.5%
Sales/Use Tax	2,917.9	3,018.4	100.5	3.4%
Corporate Tax	592.8	599.4	6.6	1.1%
Other Taxes	263.0	265.6	2.6	1.0%
Total Taxes	<u>\$ 8,429.4</u>	<u>\$ 8,749.3</u>	<u>\$ 319.9</u>	<u>3.8%</u>
Other Receipts	293.6	294.6	1.0	0.3%
Gross Tax & Other Receipts	<u>\$ 8,723.0</u>	<u>\$ 9,043.9</u>	<u>\$ 320.9</u>	<u>3.7%</u>
Accruals (Net)	-13.3	8.6	21.9	-164.7%
Refunds (Accrual Basis)	-1,108.5	-1,143.1	-34.6	3.1%
Schl. Infrs. Refunds (Accrual)	-473.0	-493.7	-20.7	4.4%
Total Net Receipts	<u>\$ 7,128.2</u>	<u>\$ 7,415.7</u>	<u>\$ 287.5</u>	<u>4.0%</u>
Transfers (Accrual Basis)	109.3	111.3	2.0	1.8%
Net Receipts Plus Transfers	<u><u>\$ 7,237.5</u></u>	<u><u>\$ 7,527.0</u></u>	<u><u>\$ 289.5</u></u>	<u><u>4.0%</u></u>

Next Meeting. The next REC meeting has not been scheduled but will occur in March 2018. A detailed spreadsheet of the REC estimates is available on the Legislative Services Agency [website](#).

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