

FISCAL UPDATE Article

Fiscal Services Division

October 16, 2018



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

REVENUE ESTIMATING CONFERENCE — OCTOBER 2018

Revenue Estimate Summary. The Revenue Estimating Conference (REC) met on October 16, 2018, and increased the estimated FY 2019 net General Fund receipts by \$101.7 million compared to the FY 2019 adjusted REC March estimate.

Fiscal Year 2019. The October REC estimate for FY 2019 net General Fund receipts, including transfers, totals \$7.742 billion, an increase of \$358.2 million (4.9%) compared to actual FY 2018. The estimated changes include increases of 3.8% in gross personal income tax, 6.6% in gross sales/use tax, and 8.6% in gross corporate income tax receipts. The following table provides additional detail for the FY 2019 revenue projection.

FY 2019 Revenue Estimating Conference Projection						
Dollars in Millions						
	Actual FY 2018	Adj. March FY 2019 Estimate	October FY 2019 Estimate	Change Compared to Adj. March Estimate	Change Compared to FY 2018 Actual	
Personal Income Tax	\$ 4,746.7	\$ 4,799.4	\$ 4,928.4	\$ 129.0	\$ 181.7	3.8%
Sales/Use Tax	2,941.5	3,094.0	3,135.6	41.6	194.1	6.6%
Corporate Income Tax	565.0	674.6	613.5	-61.1	48.5	8.6%
Insurance Tax	121.8	117.8	124.4	6.6	2.6	2.1%
Other Tax	145.2	151.9	148.5	-3.4	3.3	2.3%
Total Taxes	\$ 8,520.2	\$ 8,837.7	\$ 8,950.4	\$ 112.7	\$ 430.2	5.0%
Other Receipts	310.6	300.6	307.0	6.4	-3.6	-1.2%
Gross Tax & Other Receipts	\$ 8,830.8	\$ 9,138.3	\$ 9,257.4	\$ 119.1	\$ 426.6	4.8%
Accruals (Net)	48.0	28.9	35.7	6.8	-12.3	
Refund (Accrual Basis)	-1,135.1	-1,152.7	-1,163.6	-10.9	-28.5	2.5%
School Infrastructure Refunds (Accrual)	-480.8	-497.0	-510.8	-13.8	-30.0	6.2%
Total Net Receipts	\$ 7,262.9	\$ 7,517.5	\$ 7,618.7	\$ 101.2	\$ 355.8	4.9%
Transfers (Accrual Basis)	121.0	122.9	123.4	0.5	2.4	2.0%
Total Receipts Plus Transfers	\$ 7,383.9	\$ 7,640.4	\$ 7,742.1	\$ 101.7	\$ 358.2	4.9%

Fiscal Year 2020. The REC established an estimate of \$7.873 billion for FY 2020. This is an increase of \$130.8 million (1.7%) compared to the revised FY 2019 estimate. The estimated changes include a decrease of 2.0% in gross personal income tax, an increase of 8.0% in gross sales/use tax, and an

increase of 4.1% in gross corporate income tax receipts. The following table provides additional detail for the FY 2020 revenue projection.

FY 2020 Revenue Estimating Conference Projection				
Dollars in Millions				
	October FY 2019 Estimate	October FY 2020 Estimate	Change Compared to FY 2019 Estimate	
Personal Income Tax	\$ 4,928.4	\$ 4,831.0	\$ -97.4	-2.0%
Sales/Use Tax	3,135.6	3,386.5	250.9	8.0%
Corporate Income Tax	613.5	638.7	25.2	4.1%
Insurance Tax	124.4	125.8	1.4	1.1%
Other Tax	148.5	151.1	2.6	1.8%
Total Taxes	\$ 8,950.4	\$ 9,133.1	\$ 182.7	2.0%
Other Receipts	307.0	304.7	-2.3	-0.7%
Gross Tax & Other Receipts	\$ 9,257.4	\$ 9,437.8	\$ 180.4	1.9%
Accruals (Net)	35.7	32.0	-3.7	
Refund (Accrual Basis)	-1,163.6	-1,162.3	1.3	-0.1%
School Infrastructure Refunds (Accrual)	-510.8	-552.1	-41.3	8.1%
Total Net Receipts	\$ 7,618.7	\$ 7,755.4	\$ 136.7	1.8%
Transfers (Accrual Basis)	123.4	117.5	-5.9	-4.8%
Total Receipts Plus Transfers	\$ 7,742.1	\$ 7,872.9	\$ 130.8	1.7%

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

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