

## REVENUE ESTIMATING CONFERENCE – OCTOBER MEETING

**REC Estimates.** The Revenue Estimating Conference (REC) met on October 9, 2014, and decreased the estimated FY 2015 General Fund receipts by \$113.3 million compared to the adjusted FY 2015 March REC estimate (adjusted for negative \$19.6 million in post-REC legislative changes). The REC also established initial estimates for FY 2016 General Fund revenues.

FY 2015 Revenue Estimating Conference Projection						
Dollars in Millions						
	Actual FY 2014	March FY 2015 Estimate	October FY 2015 Estimate	Increase (Decrease) to March Estimate	Increase (Decrease) to Actual FY 2014	Percentage Change to Actual FY 2014
Income Tax	\$3,974.8	\$4,277.2	\$4,208.1	\$-69.1	\$233.3	5.9%
Sales/Use Tax	2,642.3	2,752.0	2,747.6	-4.4	105.3	4.0%
Corporate Tax	549.6	606.0	557.8	-48.2	8.2	1.5%
Insurance Tax	105.5	107.5	104.8	-2.7	-0.7	-0.7%
Cigarette/Tobacco Tax	1.4	0.0	0.0	0.0	-1.4	-100.0%
Other Taxes	149.2	162.3	155.0	-7.3	5.8	3.9%
Total Taxes	\$7,422.8	\$7,905.0	\$7,773.3	\$-131.7	\$350.5	4.7%
Other Receipts	289.0	269.6	281.0	11.4	-8.0	-2.8%
Gross Tax & Other Receipts	\$7,711.8	\$8,174.6	\$8,054.3	\$-120.3	\$342.5	4.4%
Accruals (Net)	-16.2	23.1	44.7	21.6	60.9	-375.9%
Refund (Accrual Basis)	-955.3	-974.3	-926.0	48.3	29.3	-3.1%
Schl. Infrac. Refunds (Accrual)	-440.4	-440.5	-451.9	-11.4	-11.5	2.6%
Total Net Receipts	\$6,299.9	\$6,782.9	\$6,721.1	\$-61.8	\$421.2	6.7%
Transfers (Accrual Basis)	188.9	180.7	129.2	-51.5	-59.7	-31.6%
Net Receipts Plus Transfers	<u>\$6,488.8</u>	<u>\$6,963.6</u>	<u>\$6,850.3</u>	<u>\$-113.3</u>	<u>\$361.5</u>	<u>5.6%</u>

*March REC estimate for FY 2015 has been adjusted for negative \$19.6 million in post-REC Legislative changes.*

**FY 2015.** The October REC estimate for FY 2015 net General Fund receipts, including transfers, totals \$6,850.3 million, an increase of \$361.5 million compared to actual FY 2014. The estimated FY 2015 changes for the FY 2014 amounts include:

- An increase of \$233.3 million (5.9%) in gross income tax receipts. Modest economic growth is anticipated to lead to a modest increase in tax receipts. Through October 8, 2014, gross income tax receipts were up 3.6%.
- An increase of \$105.3 million (4.0%) in gross sales/use tax receipts. Modest economic growth is anticipated to lead to a modest increase in taxable sales. Through October 8, 2014, gross sales/use tax receipts were up 7.3%.
- An increase of \$8.2 million (1.5%) in gross corporate tax receipts. Through October 8, 2014, corporate tax receipts were down 14.2%.

**FY 2016.** The REC also established initial General Fund receipt estimates for FY 2016 totaling \$7,178.5 million (an increase of \$328.2 million above the revised FY 2015 estimate). The estimated changes include an increase of 5.3% in gross income tax, 4.5% in gross sales/use tax, and 8.2% in corporate tax.

The following table provides information pertaining to the REC estimate for FY 2016.

## FY 2016 Revenue Estimating Conference Projection

Dollars in Millions

	Estimate FY 2015	October FY 2016 Estimate	Increase (Decrease) to Estimated FY 2015	Percentage Change to Estimated FY 2015
Income Tax	\$4,208.1	\$4,430.4	\$222.3	5.3%
Sales/Use Tax	2,747.6	2,869.9	122.3	4.5%
Corporate Tax	557.8	603.7	45.9	8.2%
Insurance Tax	104.8	104.7	-0.1	-0.1%
Other Taxes	155.0	161.6	6.6	4.3%
<b>Total Taxes</b>	<b>\$7,773.3</b>	<b>\$8,170.3</b>	<b>\$397.0</b>	<b>5.1%</b>
Other Receipts	281.0	282.9	1.9	0.7%
Gross Tax & Other Receipts	\$8,054.3	\$8,453.2	\$398.9	5.0%
Accruals (Net)	44.7	27.0	-17.7	-39.6%
Refund (Accrual Basis)	-926.0	-936.0	-10.0	1.1%
Schl. Infras. Refunds (Accrual)	-451.9	-470.9	-19.0	4.2%
<b>Total Net Receipts</b>	<b>\$6,721.1</b>	<b>\$7,073.3</b>	<b>\$352.2</b>	<b>5.2%</b>
Transfers (Accrual Basis)	129.2	105.2	-24.0	-18.6%
<b>Net Receipts Plus Transfers</b>	<b>\$6,850.3</b>	<b>\$7,178.5</b>	<b>\$328.2</b>	<b>4.8%</b>

**Next Meeting.** The next REC meeting will be scheduled for mid-December 2014. A [detailed spreadsheet of the REC estimates](#) is available on the Legislative Services Agency (LSA) website.

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## REVENUE ESTIMATING CONFERENCE

October 9, 2014

	% Change			REC		% Change		REC		% Change	
	FY 13	FY 14	FY 13 vs. FY 14	FY 15 Estimate	% Change vs. FY 14	FY 15 Estimate	% Change vs. FY 14	FY 16 Estimate	% Change vs. FY 15	FY 16 Estimate	% Change vs. FY 15
	Actual	Actual	Actual	20-Mar-14	vs. FY 14	9-Oct-14	Actual	9-Oct-14	Estimate	Estimate	
<b>Tax Receipts</b>											
Personal Income Tax	\$4,083.9	\$3,974.8	-2.7%	\$4,291.4	8.0%	\$4,208.1	5.9%	\$4,430.4	5.3%		
Sales/Use Tax	2,547.6	2,642.3	3.7%	2,753.0	4.2%	2,747.6	4.0%	2,869.9	4.5%		
Corporate Income Tax	555.3	549.6	-1.0%	610.0	11.0%	557.8	1.5%	603.7	8.2%		
Inheritance Tax	86.8	91.0	4.8%	98.7	8.5%	99.2	9.0%	108.1	9.0%		
Insurance Premium Tax	104.9	105.5	0.6%	107.5	1.9%	104.8	-0.7%	104.7	-0.1%		
Cigarette Tax	102.7	0.0	-100.0%	0.0		0.0		0.0			
Tobacco Tax	18.7	1.4	-92.5%	0.0	-100.0%	0.0	-100.0%	0.0			
Beer Tax	14.5	14.1	-2.8%	14.9	5.7%	14.1	0.0%	14.5	2.8%		
Franchise Tax	42.9	42.9	0.0%	47.6	11.0%	40.5	-5.6%	37.8	-6.7%		
Miscellaneous Tax	1.1	1.2	9.1%	1.1	-8.3%	1.2	0.0%	1.2	0.0%		
<b>Total Tax Receipts</b>	<b>\$7,558.4</b>	<b>\$7,422.8</b>	<b>-1.8%</b>	<b>\$7,924.2</b>	<b>6.8%</b>	<b>\$7,773.3</b>	<b>4.7%</b>	<b>\$8,170.3</b>	<b>5.1%</b>		
<b>Other Receipts</b>											
Institutional Payments	\$14.3	\$12.8	-10.5%	\$11.1	-13.3%	\$11.0	-14.1%	\$11.0	0.0%		
Liquor Profits	96.1	96.6	0.5%	96.0	-0.6%	97.7	1.1%	98.7	1.0%		
Interest	2.6	3.4	30.8%	3.5	2.9%	3.4	0.0%	3.4	0.0%		
Fees	29.1	28.8	-1.0%	26.5	-8.0%	26.5	-8.0%	27.0	1.9%		
Judicial Revenue	108.0	104.0	-3.7%	102.6	-1.3%	104.0	0.0%	104.0	0.0%		
Miscellaneous Receipts	39.9	43.4	8.8%	30.3	-30.2%	38.4	-11.5%	38.8	1.0%		
Racing and Gaming	40.0	0.0	-100.0%	0.0		0.0		0.0			
<b>Total Other Receipts</b>	<b>\$330.0</b>	<b>\$289.0</b>	<b>-12.4%</b>	<b>\$270.0</b>	<b>-6.6%</b>	<b>\$281.0</b>	<b>-2.8%</b>	<b>\$282.9</b>	<b>0.7%</b>		
<b>Gross Tax &amp; Other Receipts</b>	<b>\$7,888.4</b>	<b>\$7,711.8</b>	<b>-2.2%</b>	<b>\$8,194.2</b>	<b>6.3%</b>	<b>\$8,054.3</b>	<b>4.4%</b>	<b>\$8,453.2</b>	<b>5.0%</b>		
Accruals (Net)	\$13.1	\$-16.2		\$23.1		\$44.7		\$27.0			
Refund (Accrual Basis)	\$-830.5	\$-955.3	15.0%	\$-974.3	2.0%	\$-926.0	-3.1%	\$-936.0	1.1%		
School Infras. Refunds (Accrual)	\$-419.2	\$-440.4	5.1%	\$-440.5	0.0%	\$-451.9	2.6%	\$-470.9	4.2%		
<b>Total Net Receipts</b>	<b>\$6,651.8</b>	<b>\$6,299.9</b>	<b>-5.3%</b>	<b>\$6,802.5</b>	<b>8.0%</b>	<b>\$6,721.1</b>	<b>6.7%</b>	<b>\$7,073.3</b>	<b>5.2%</b>		
<b>Transfers (Accrual Basis)</b>											
Lottery	\$82.8	\$72.2	-12.8%	\$87.0	20.5%	\$75.7	4.8%	\$79.0	4.4%		
Taxpayer Trust Fund		\$84.6		\$67.5	-20.2%	\$27.3		\$0.0	-100.0%		
Other Transfers	34.2	32.1	-6.1%	26.2	-18.4%	26.2	-18.4%	26.2	0.0%		
<b>Net Receipts Plus Transfers</b>	<b>\$6,768.8</b>	<b>\$6,488.8</b>	<b>-4.1%</b>	<b>\$6,983.2</b>	<b>7.6%</b>	<b>\$6,850.3</b>	<b>5.6%</b>	<b>\$7,178.5</b>	<b>4.8%</b>		
Gambling Revenues	\$240.6	\$272.9	13.4%	\$274.6	0.6%	\$274.6	0.6%	\$274.6	0.0%		
Deposited To Other Funds											
Interest on Reserve Funds	2.2	1.8	-18.2%	1.8	0.0%	1.8	0.0%	1.8	0.0%		

For the General Assembly balance sheet, the March REC FY 2015 estimate has been adjusted for negative \$19.6 million in post-REC Legislative changes (see reverse).