

FISCAL UPDATE Article

Fiscal Services Division

October 15, 2019



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

REVENUE ESTIMATING CONFERENCE — OCTOBER 2019

Revenue Estimate. The Revenue Estimating Conference (REC) met on October 14, 2019, and increased the estimated FY 2020 net General Fund receipts by \$127.0 million compared to the FY 2020 adjusted March estimate.

Fiscal Year 2020. The October REC estimate for FY 2020 net General Fund receipts, including transfers, totals \$7.966 billion, an increase of \$107.3 million (1.4%) compared to actual FY 2019. The estimated changes include a decrease of 0.7% in gross personal income tax and increases of 5.7% in gross sales/use tax and 2.3% 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

	Actual FY 2019	Adj. March FY 2020 Estimate	October FY 2020 Estimate	Change Compared to March	Change Compared to FY 2019 Actual	
Personal Income Tax	\$ 4,944.0	\$ 4,825.8	\$ 4,909.6	\$ 83.8	\$ -34.4	-0.7%
Sales/Use Tax	3,045.5	3,311.4	3,218.9	-92.5	173.4	5.7%
Corporate Tax	706.3	652.6	722.7	70.1	16.4	2.3%
Other Taxes	321.3	308.8	321.4	12.6	0.1	0.0%
Total Taxes	\$ 9,017.1	\$ 9,098.6	\$ 9,172.6	\$ 74.0	\$ 155.5	1.7%
Other Receipts	334.5	313.4	322.1	8.7	-12.4	-3.7%
Gross Tax and Receipts	\$ 9,351.6	\$ 9,412.0	\$ 9,494.7	\$ 82.7	\$ 143.1	1.5%
Accruals (Net)	19.2	14.5	23.7	9.2	4.5	
Refund (Accrual Basis)	-1,131.9	-1,153.0	-1,138.8	14.2	-6.9	0.6%
School Infrast. Refunds (Accrual)	-503.1	-549.5	-528.5	21.0	-25.4	5.0%
Total Net Receipts	\$ 7,735.8	\$ 7,724.0	\$ 7,851.1	\$ 127.1	\$ 115.3	1.5%
Transfers (Accrual Basis)	\$ 123.0	\$ 115.1	\$ 115.0	\$ -0.1	\$ -8.0	-6.5%
Net Receipts Plus Transfers	\$ 7,858.8	\$ 7,839.1	\$ 7,966.1	\$ 127.0	\$ 107.3	1.4%

Fiscal Year 2021. The REC established an estimate of \$8.181 billion for FY 2021. This is an increase of \$215.7 million (2.7%) compared to the revised FY 2020 estimate. The estimated changes include increases of 2.9% in gross personal income tax and 2.0% in gross sales/use tax and a decrease of 4.2% in gross corporate income tax receipts. The following table provides additional detail for the FY 2021 revenue projection.

FY 2021 Revenue Estimating Conference Projection

Dollars in Millions

	<u>Actual FY 2019</u>	<u>October FY 2020 Estimate</u>	<u>October FY 2021 Estimate</u>	<u>Change Compared to FY 2020 Estimate</u>	
Personal Income Tax	\$ 4,944.0	\$ 4,909.6	\$ 5,050.9	\$ 141.3	2.9%
Sales/Use Tax	3,045.5	3,218.9	3,282.2	63.3	2.0%
Corporate Tax	706.3	722.7	692.5	-30.2	-4.2%
Other Taxes	321.3	321.4	322.5	1.1	0.3%
Total Taxes	\$ 9,017.1	\$ 9,172.6	\$ 9,348.1	\$ 175.5	1.9%
Other Receipts	334.5	322.1	326.0	3.9	1.2%
Gross Tax and Receipts	\$ 9,351.6	\$ 9,494.7	\$ 9,674.1	\$ 179.4	1.9%
Accruals (Net)	19.2	23.7	23.0	-0.7	
Refund (Accrual Basis)	-1,131.9	-1,138.8	-1,087.1	51.7	-4.5%
School Infrast. Refunds (Accrual)	-503.1	-528.5	-545.2	-16.7	3.2%
Total Net Receipts	\$ 7,735.8	\$ 7,851.1	\$ 8,064.8	\$ 213.7	2.7%
Transfers (Accrual Basis)	\$ 123.0	\$ 115.0	\$ 117.0	\$ 2.0	1.7%
Net Receipts Plus Transfers	\$ 7,858.8	\$ 7,966.1	\$ 8,181.8	\$ 215.7	2.7%

Next Meeting. The next REC meeting is scheduled for Thursday, December 12, 2019. A detailed spreadsheet of the REC estimates is available on the Legislative Services Agency [website](#).

LSA Staff Contact: Kent Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov
 Jeff W. Robinson (515.281.4614) jeff.robinson@legis.iowa.gov

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