

FISCAL UPDATE Article

Fiscal Services Division

December 15, 2023



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

REVENUE ESTIMATING CONFERENCE — DECEMBER 2023

Revenue Estimate. The Revenue Estimating Conference (REC) met on December 13, 2023, and decreased the estimated FY 2024 net General Fund receipts by \$6.3 million compared to the FY 2024 October estimate.

Fiscal Year 2024. The December REC estimate for FY 2024 net General Fund receipts, including transfers, totals \$9.747 billion, a decrease of \$98.8 million (-1.0%) compared to actual FY 2023. The estimated changes include a decrease of 6.7% in gross personal income tax, an increase of 5.1% in gross sales/use tax, and an increase of 1.5% in gross corporate income tax receipts. The following table provides additional detail for the FY 2024 revenue projection.

FY 2024 Revenue Estimating Conference Projection

Dollars in Millions

	Actual FY 2023	October FY 2024 Estimate	December FY 2024 Estimate	Change Compared to October	Change Compared to FY 2023 Actual	
Personal Income Tax	\$ 5,599.3	\$ 5,307.5	\$ 5,226.7	\$ -80.8	\$ -372.6	-6.7%
Sales/Use Tax	3,937.1	4,197.5	4,138.1	-59.4	201.0	5.1%
Corporate Tax	984.1	902.8	998.9	96.1	14.8	1.5%
Other Taxes	563.8	359.5	671.8	312.3	108.0	19.2%
Total Taxes	\$ 11,084.3	\$ 10,767.3	\$ 11,035.5	\$ 268.2	\$ -48.8	-0.4%
Other Receipts	428.8	423.6	431.8	8.2	3.0	0.7%
Gross Tax and Receipts	\$ 11,513.1	\$ 11,190.9	\$ 11,467.3	\$ 276.4	\$ -45.8	-0.4%
Accruals (Net)	146.6	132.0	129.2	-2.8	-17.4	
Refund (Accrual Basis)	-1,230.3	-1,035.1	-1,304.4	-269.3	-74.1	6.0%
School Infrast. Refunds (Accrual)	-708.1	-682.3	-693.1	-10.8	15.0	-2.1%
Total Net Receipts	\$ 9,721.3	\$ 9,605.5	\$ 9,599.0	\$ -6.5	\$ -122.3	-1.3%
Transfers (Accrual Basis)	\$ 124.0	\$ 147.3	\$ 147.5	\$ 0.2	\$ 23.5	19.0%
Net Receipts Plus Transfers	\$ 9,845.3	\$ 9,752.8	\$ 9,746.5	\$ -6.3	\$ -98.8	-1.0%

Fiscal Year 2025. The REC established an estimate of \$9.637 billion for FY 2025. This is a decrease of \$109.4 million (-1.1%) compared to the FY 2024 estimate. The estimated changes include a decrease of 5.1% in gross personal income tax, an increase of 4.5% in gross sales/use tax, and a decrease of 14.5% in gross corporate income tax receipts. The following table provides additional detail for the FY 2025 revenue projection.

FY 2025 Revenue Estimating Conference Projection

Dollars in Millions

	Actual FY 2023	December FY 2024 Estimate	December FY 2025 Estimate	Change Compared to FY 2024 Estimate	
Personal Income Tax	\$ 5,599.3	\$ 5,226.7	\$ 4,960.2	\$ -266.5	-5.1%
Sales/Use Tax	3,937.1	4,138.1	4,325.4	187.3	4.5%
Corporate Tax	984.1	998.9	854.0	-144.9	-14.5%
Other Taxes	563.8	671.8	901.4	229.6	34.2%
Total Taxes	\$ 11,084.3	\$ 11,035.5	\$ 11,041.0	\$ 5.5	0.0%
Other Receipts	428.8	431.8	423.6	-8.2	-1.9%
Gross Tax and Receipts	\$ 11,513.1	\$ 11,467.3	\$ 11,464.6	\$ -2.7	0.0%
Accruals (Net)	146.6	129.2	-168.1	-297.3	
Refund (Accrual Basis)	-1,230.3	-1,304.4	-1,075.1	229.3	-17.6%
School Infrast. Refunds (Accrual)	-708.1	-693.1	-716.7	-23.6	3.4%
Total Net Receipts	\$ 9,721.3	\$ 9,599.0	\$ 9,504.7	\$ -94.3	-1.0%
Transfers (Accrual Basis)	\$ 124.0	\$ 147.5	\$ 132.4	\$ -15.1	-10.2%
Net Receipts Plus Transfers	\$ 9,845.3	\$ 9,746.5	\$ 9,637.1	\$ -109.4	-1.1%

REC Membership. David Underwood announced his retirement as a member of the REC. A new third member will be selected pursuant to Iowa Code section [8.22A](#).

Next Meeting. The next REC meeting will be held in March 2024. A detailed spreadsheet of the REC estimates is available on the Legislative Services Agency [website](#).

LSA Staff Contacts: Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov
Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov