



Revenue Estimating Conference Meeting – October 13, 2022

FY 2023 Estimate

The Revenue Estimating Conference (REC) met and increased their estimate for FY 2023 net General Fund Receipts (including transfers) by \$399.6 million compared to the adjusted March REC estimate (adjusted for legislative law changes that occurred after the March REC meeting). The new FY 2023 estimate is \$269.3 million (-2.7%) below the actual FY 2022 amount.

The REC also set the FY 2024 estimate at \$60.2 million (0.6%) above the new FY 2023 estimate. Factors for the very modest growth rate included uncertainty in the future economy and legislative tax law changes that lowered the state income tax rate.

Revenue Estimating Conference October 13, 2022: Net General Fund Receipts (including Transfers)							
(Dollars in Millions)							
		October REC Estimates					
Actual FY				% Change			
2022 Net	FY 2023 -			Est. FY		Est. FY 2024	% Change
General	March REC						
Fund	Adjusted for	Estimated for FY	Est. FY 2023	2023 vs. FY	Estimated for	Vs. Est. FY	% Change
Receipts	Tax Changes	2023	vs. FY 2022	2022	FY 2024	2023	Est. FY 2024
							vs. FY 2023
\$ 9,803.4	\$ 9,134.5	\$ 9,534.1	\$ (269.30)	-2.7%	\$ 9,594.3	\$ 60.20	0.6%

What does this mean?

Iowa's state tax revenue grew at a much larger rate in FY 2022 than the REC projected, coming in at about \$630 million above the March REC estimate (adjusted for tax law changes and based on the end of session Legislative Services Agency balance sheet). At the end of FY 2022, the state general fund surplus totaled nearly \$2.0 billion, the taxpayer relief fund totaled slightly more than \$1.0 billion, and reserve funds totaled approximately \$830 million.

The October REC estimates are really a barometer three months into the new fiscal year. It's important to keep in mind that the December REC estimates will be what the governor and legislature use when establishing the budget for FY 2024. The next meeting will likely occur by mid-December and will help provide more insight on the overall budget situation.

More on the REC

The Revenue Estimating Conference is a three-member panel that is required to meet three times a year to agree upon the revenue estimates for the current fiscal year and following fiscal year. These estimates are used by:

- The governor when submitting budget recommendations to the legislature in January, and
- The legislature when appropriating funds for the state budget during the legislative session.

The next REC meeting will be held in December and estimates they establish for FY 2024 will be used to set the state budget for FY 2024. Additional information on the REC is available on the [Department of Management's website](#).