

# Revenue Estimation in Iowa

2004 FTA Revenue Estimation and Research  
Conference

## Iowa Revenue Estimating Process

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- Consensus Process
- Council Membership
  - Director, Legislative Services Agency
  - Director, Dept. of Revenue (Governor's appointee)
  - Private Sector Member
- Quarterly Meetings
  - Budget limits set at December meeting
  - Budget limited to 99% of estimate

## Department of Revenue Role

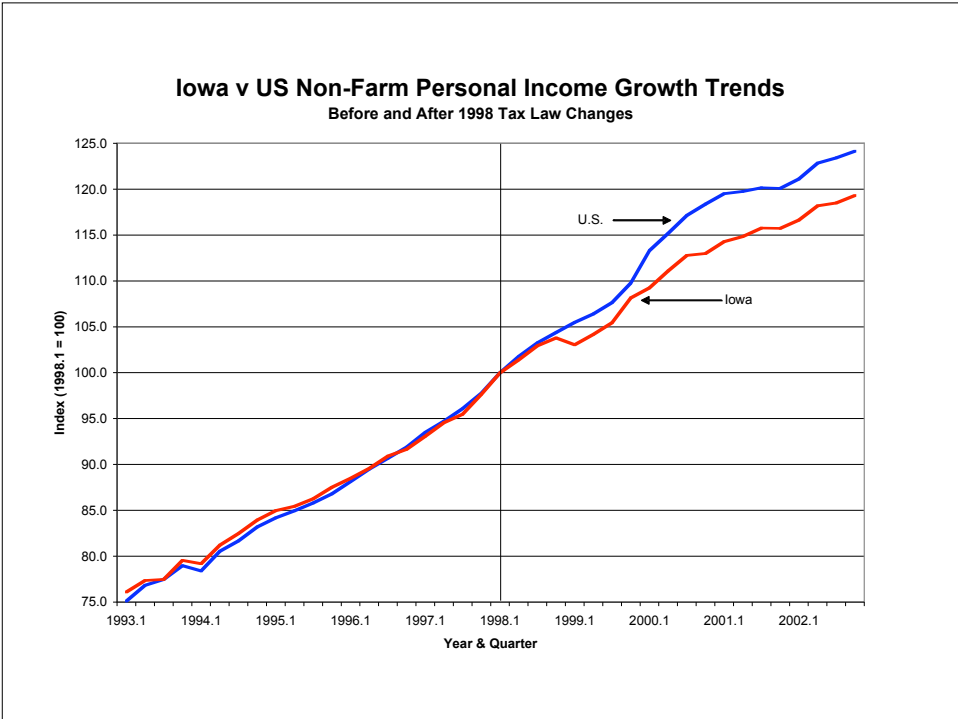
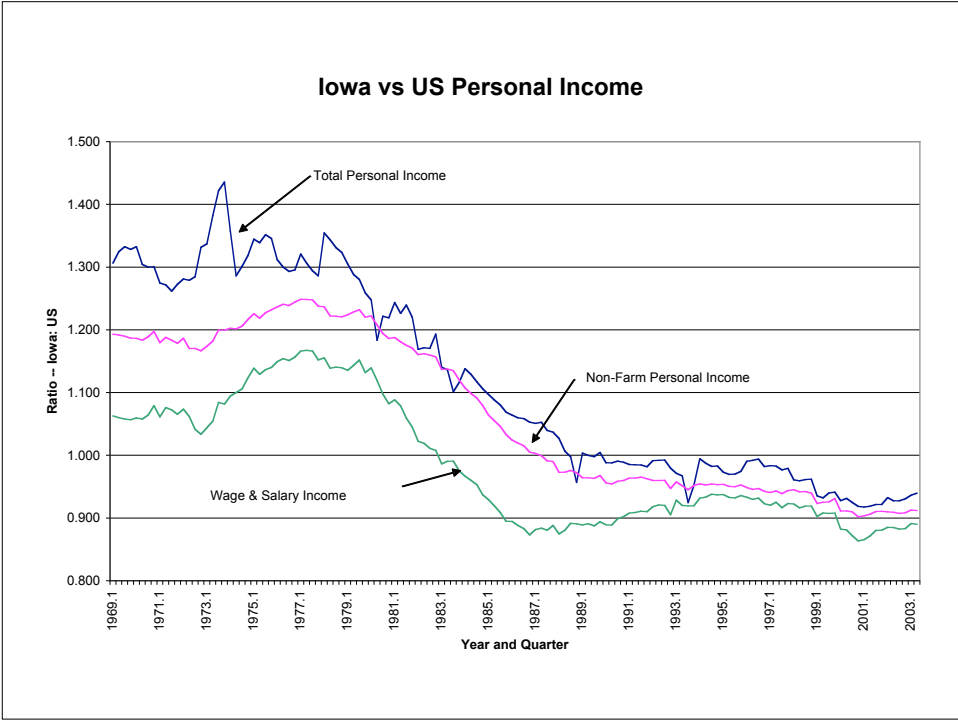
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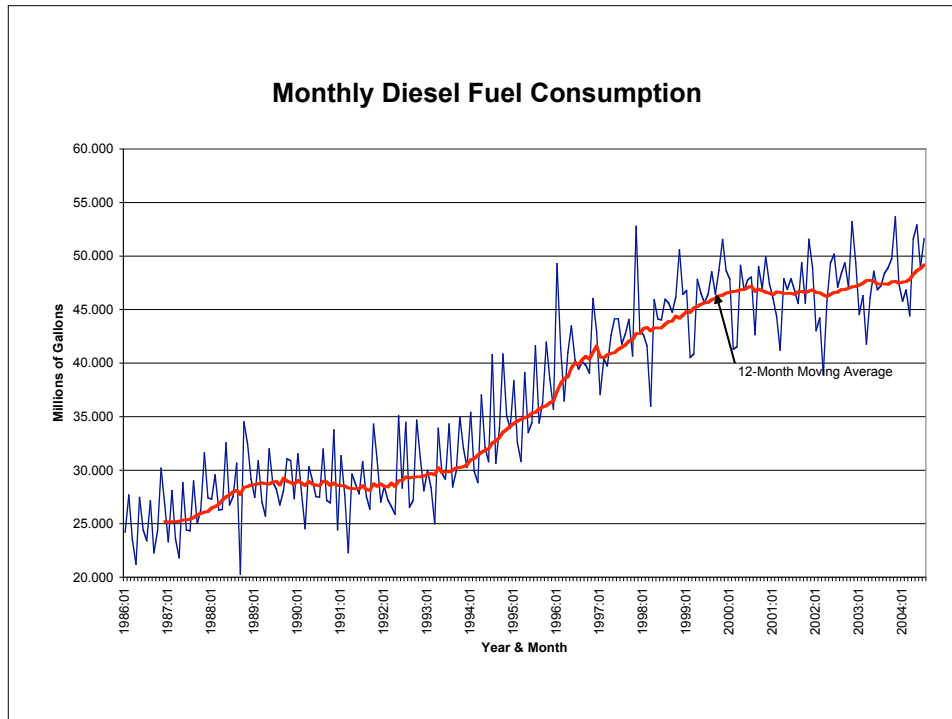
- Monitor, Analyze and Prepare Monthly Report on Receipts and Refunds
- Brief Members of Revenue Estimating Council prior to Quarterly Meetings
- Estimate the Fiscal Impacts of Proposed State and Federal Legislation
- Conduct Special Studies

## Economic Analysis Examples

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- Personal Income Trends
- Law Change Impact Analysis
- Economic Indicators Tracking



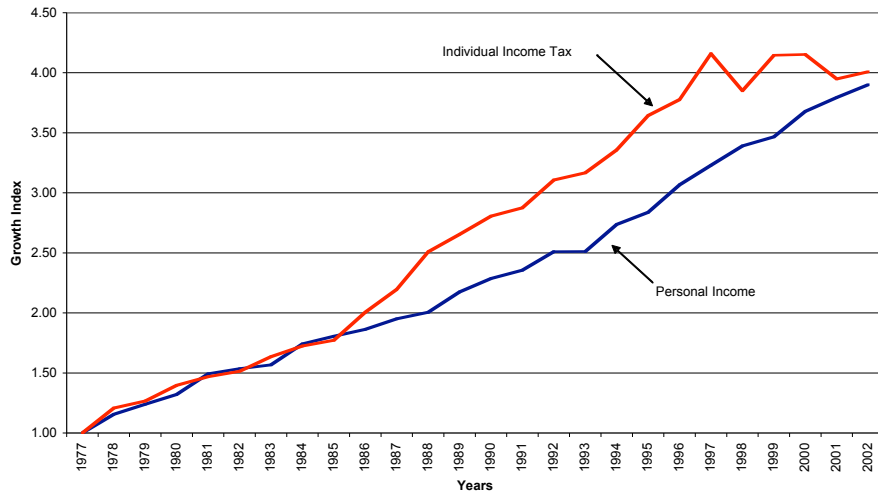


## Tax and Economic Trend Comparisons

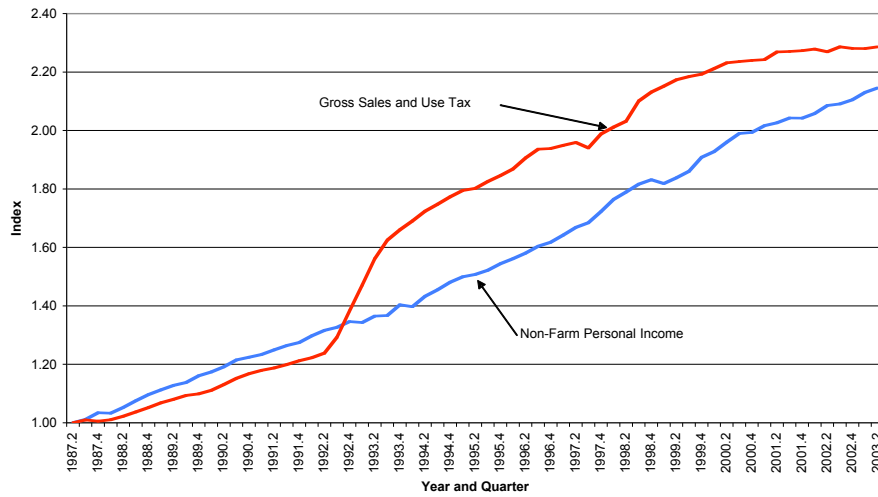
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- Personal Income and Income Tax Trends
- Personal Income and Sales/Use Tax Trends
  - Including law change impacts
  - Excluding law change impacts
- Tax – Income Elasticities

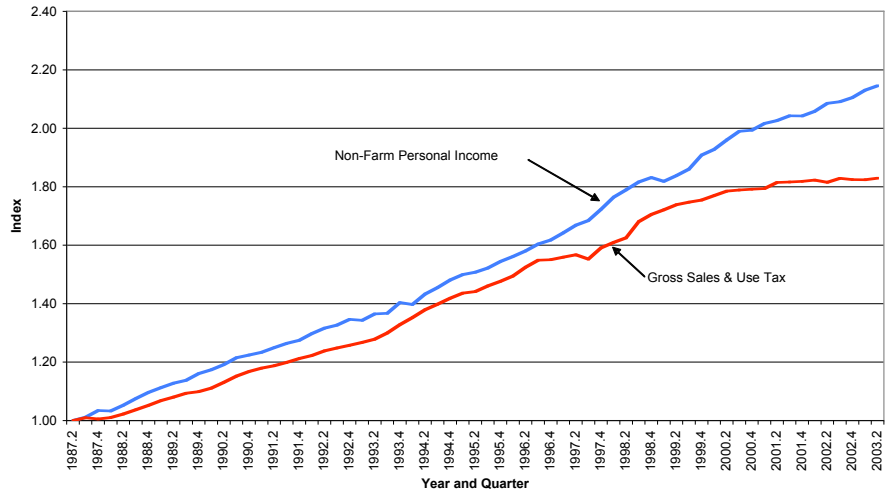
### Individual Income Tax to Personal Income Growth Comparison



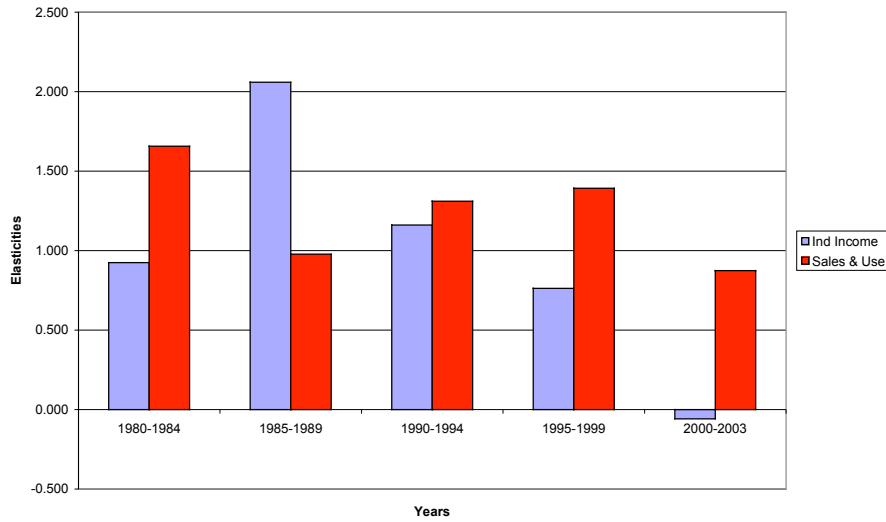
### Sales & Use Tax -- Non-Farm Personal Income Growth Comparison



### Sales & Use Tax -- Non-Farm Personal Income Growth Comparison with Rate Change Adjustment



### Taxes - Income Elasticities



# Economic Sector Analysis

- Withholding Tax Business Sector Analysis
- Sales Tax Business Sector Analysis
- Business Starts Analysis

## Withholding Tax Analysis by Business Type

NAICS	Description	Withholding Tax July-August 2003	Withholding Tax July-August 2004	Withholding Growth	Percent Growth	Total Growth Share	Relative Growth Share
11	Agriculture, Forestry, Fishing and Hunting	\$2,071,745	\$2,134,073	\$62,328	3.01%	0.32%	0.02%
21	Mining	\$762,649	\$824,591	\$61,942	8.12%	0.32%	0.02%
22	Utilities	\$4,868,534	\$5,103,134	\$234,600	4.82%	1.21%	0.07%
23	Construction	\$18,864,943	\$20,284,200	\$1,619,257	8.68%	8.33%	0.48%
31-33	Manufacturing	\$67,346,059	\$71,486,760	\$4,140,701	6.15%	21.30%	1.22%
42	Wholesale Trade	\$19,479,986	\$21,403,163	\$1,923,177	9.87%	9.89%	0.57%
44-45	Retail Trade	\$24,663,429	\$25,858,282	\$1,194,853	4.84%	6.15%	0.35%
48-49	Transportation and Warehousing	\$12,350,518	\$13,356,309	\$1,005,791	8.14%	5.17%	0.30%
51	Information	\$9,876,427	\$10,192,182	\$315,755	3.20%	1.62%	0.09%
52	Finance and Insurance	\$36,668,745	\$39,964,211	\$3,295,466	8.99%	16.95%	0.97%
53	Real Estate and Rental and Leasing	\$2,806,965	\$3,038,792	\$231,827	8.26%	1.19%	0.07%
54	Professional, Scientific and Technical Services	\$12,238,425	\$12,287,811	\$49,386	0.40%	0.25%	0.01%
55	Management of Companies and Enterprises	\$1,338,263	\$1,583,459	\$245,196	18.32%	1.26%	0.07%
56	Administrative and Support and Waste Management	\$8,674,976	\$9,344,059	\$669,083	7.71%	3.44%	0.20%
61	Educational Services	\$30,272,298	\$31,147,077	\$874,779	2.89%	4.50%	0.26%
62	Health Care and Social Assistance	\$40,905,209	\$44,061,158	\$3,155,949	7.72%	16.24%	0.93%
71	Arts, Entertainment and Recreation	\$4,126,964	\$4,300,331	\$173,367	4.20%	0.89%	0.05%
72	Accommodations and Food Services	\$5,745,695	\$6,257,481	\$511,786	8.91%	2.63%	0.15%
81	Other Services (except Public Administration)	\$6,547,788	\$6,859,939	\$312,151	4.77%	1.61%	0.09%
92	Public Administration	\$29,625,431	\$28,985,815	-\$639,616	-2.16%	-3.29%	-0.19%
	Totals	\$339,035,049	\$358,472,827	\$19,437,778	5.73%	100.00%	5.73%

### Percent Change in Quarterly Tax Liability

<u>Business Class</u>	<u>Sep 02/03</u>	<u>Dec 02/03</u>	<u>Mar 03/04</u>	<u>Jun 03/04</u>	<u>FY 2003/2004</u>
<b>Apparel</b>	-3.44%	2.79%	7.99%	3.53%	2.42%
<b>Building Materials</b>	2.36%	10.68%	12.59%	13.83%	9.69%
<b>Eating Drinking</b>	0.44%	0.98%	8.45%	4.98%	3.57%
<b>Food Dealers</b>	0.17%	5.13%	2.42%	2.35%	2.48%
<b>General Merchandise</b>	9.50%	1.67%	1.58%	-1.41%	2.84%
<b>Home Furnishings</b>	11.32%	11.48%	11.83%	9.37%	11.01%
<b>Miscellaneous</b>	1.36%	6.81%	0.19%	0.58%	2.33%
<b>Motor Vehicle</b>	2.51%	2.71%	9.04%	10.06%	6.02%
<b>Services</b>	-3.69%	-5.90%	-0.48%	8.68%	-0.41%
<b>Speciality Retail</b>	3.09%	0.69%	5.65%	10.88%	4.76%
<b>Utilites</b>	-13.39%	-11.89%	-10.09%	-12.60%	-11.95%
<b>Wholesalers</b>	-1.02%	-2.35%	1.82%	-5.09%	-1.89%
<b>Total</b>	0.03%	0.09%	1.80%	2.41%	1.04%

### Business Starts by Quarter, 1999 - 2004

