

**Projecting Population and  
Local Option Sales Tax Revenues  
for the Three-County  
Des Moines Metro Region**

Prepared for the  
Greater Des Moines Partnership

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May 1, 2006

## Executive Summary

This report analyzes the potential revenue that a one-percent local option tax could generate in the metropolitan region consisting of Dallas, Polk and Warren counties. The research team examined six different population growth scenarios that drive projected retail sales and the local option retail sales tax.

The scenarios project population in the three-county metro region to grow by an annual rate as high as 1.4% for the 2007-2018 period (Regional Economic Models, Inc., REMI) to as low as 0.9% (Woods & Poole). During the same 11-year period, the Census Bureau projects that Iowa's population will grow at an annual rate of only 0.1%, compared with a 0.6% projection by REMI and 0.4% by Woods and Poole.

For each scenario, we generated projected levels of adjusted gross income (AGI), taxable retail sales, sales tax revenue and local option sales tax (LOST) revenue for each of the three counties and for the metro region through calendar year 2018. The growth in AGI embodies growth in population, growth in real income and an inflation component. The average annual rate of growth varied from a low of 2.4% when using Woods & Poole projections to a high of 3.7% when using the REMI projections.

In the most likely scenario (Census 95-05), population from 2007 to 2018 would grow by nearly 73,000 from 508,193 to 580,920. Adjusted gross income would grow at an annual rate of 3.2% from \$13.2 to \$17.9 million. We expect projected LOST to grow by 2.6% per year from FY2008 to FY2018. In the first year, we expect the metro region to receive at least \$79.9 million in revenue generated by the proposed LOST. By FY2018, that number would grow to at least \$100 million.

We purposely dampened these numbers by the unrealistic assumption of a sustained and persistent recession over the entire period in order to lower retail sales growth by a uniform three percent each year. We did this to provide a worst-case scenario.

The revenues will most likely be between \$2.5 and \$3.0 million higher each year.

Our analysis of the inflows and outflows indicates that in FY2008, about 7% of the retail sales that occur within the metro region will be to non-residents. By FY2018, that number will drop to 3% as the region's population and income grow - an island in an otherwise dormant state economy. By inference, we expect somewhere between 7% and 3% of the LOST revenues that will flow into the region will be provided by non-residents.

## Introduction

At the request of the Greater Des Moines Partnership, the Strategic Economics Group developed five sets of tax revenue forecasts: three use population projections, which we developed for this study, and two more use sets of already available population projections for Iowa and for Dallas, Polk and Warren counties.

The Des Moines Area Metropolitan Planning Organization (MPO) provided one set which their staff developed. The State Data Center provided another set, which Woods & Poole Economics, Inc. (W&P), a commercial demographics vendor, developed. Regional Economic Models, Inc. (REMI) developed the third set. The Iowa Department of Revenue provided the REMI population forecast in response to a request from the Greater Des Moines Partnership

The growth track of the REMI scenario yielded the most aggressive population and revenue projections. The growth tracks for each of the Census series that we developed yielded more moderate revenue projections. The MPO and Woods & Poole scenarios yielded the most conservative revenue projections for the region.

We believe our Census series and the MPO series appear to provide the most reasonable revenue targets consistent with the performance achieved in the three counties over the last 10-, 15- and 20-year periods.

We have dampened the projections with each scenario to simulate the equivalent of a 3% recession in retail sales each year. From 1990-2004, the average decline in the six years of the 1991, 1993-1994 and 2000-2002 years in which the actual growth fell below the trend line was 2.47%. For this reason, all of the population growth scenarios, which we examined, provide conservative revenue projections. The difference between the scenarios rests in the projected population growth rates.

We believe that the 'Census 95-05' scenario best captures the most recent growth trend in Dallas County. This forecast series projects a revenue stream from the local option sales tax that would start at \$79.8 million in FY2008 and rise to just over \$100.3 million by FY2018. The very conservative projection, built into this scenario, is for LOST revenue to grow about 2.6% per year - just a shade above the inflation rate expected for that period by the consensus of forecasting economists.

The REMI scenario would generate the highest average annual LOST growth rate of 2.9%, generating \$80.2 million in FY2008 and rising to \$103.8 million by FY2018. The Woods & Poole scenario would produce the lowest growth rate at 1.8%, generating \$75.0 million in FY2008 and rising to \$88.7 million by FY2018.

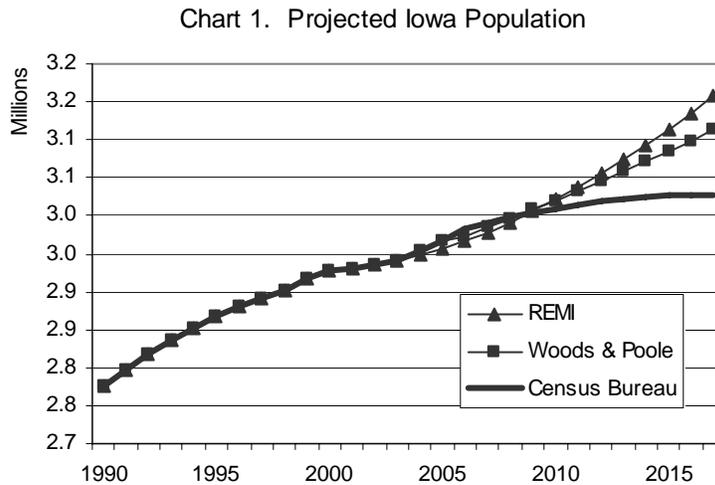
We projected the 'Census 90-05' and the 'Census 85-05' scenarios on population trends based on the 1990-2005 and 1985-2005 historical periods. They each muted the impact of the most recent population growth spurt in Dallas County.

The Metropolitan Planning Organization series produced revenue and population projections less robust than the Census 85-05 scenario. However, the Woods & Poole series yielded the least aggressive population and LOST revenue projection for the

three-county region, despite the fact that its state population projection was considerably above all except the state projections in the REMI data.

While the Census Bureau projected 2017 state population at 3,026,831, the Woods & Poole projection was for 3,112,912 and the REMI projection was 3,157,630. In addition, the Woods & Poole growth projections for Dallas County are inconsistent with recent trends. Their lowa population projections appear to be linear at a time when other projections for the State show an already modest growth curve flattening out.

Chart 1 shows the Woods & Poole and REMI state projections compared to the most recent Census Bureau series.



## Metro Population Projections

Our team developed three Census-based population projection scenarios on which to base the revenue projections. We also prepared another scenario based on the MPO county population projections and two other scenarios based on projections provided by commercial demographic vendors.

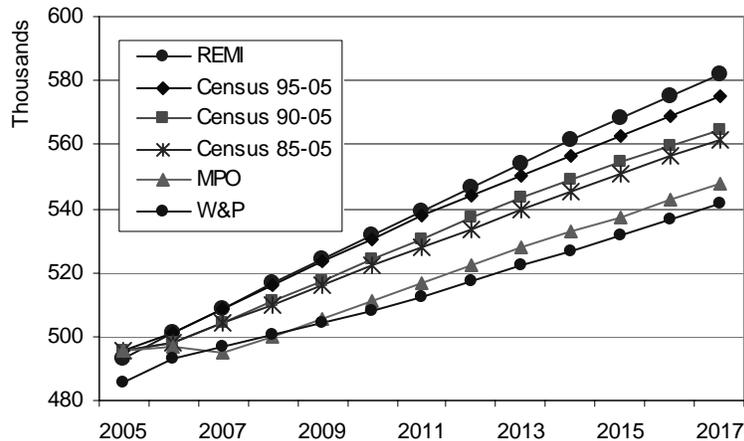
Table 1 and Chart 2 compare these scenarios. Table 1 also includes the two developed for the Greater Des Moines Partnership in August 2005 by Iowa State University economist David Swenson<sup>1</sup>.

<sup>1</sup> "Projecting Population and Taxable Sales in Polk, Dallas and Warren County", David Swenson, Unpublished paper developed for the Greater Des Moines Partnership, August 4, 2005.

Table 1  
Three-County Metro Population Projections

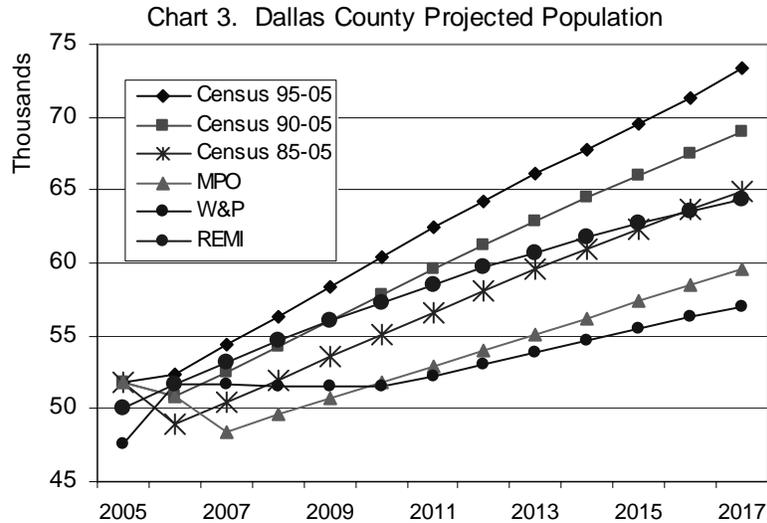
Calendar Year	Census 95-05	Census 90-05	Census 85-05	MPO	REMI	Woods & Poole	Swenson Census	Swenson Trend
2007	508,507	504,401	504,202	494,659	508,786	496,775	498,172	498,746
2008	516,142	510,953	510,115	500,147	516,489	500,526	504,244	504,825
2009	523,531	517,542	516,105	505,634	524,132	504,161	510,342	510,931
2010	530,635	524,144	521,987	511,122	531,733	507,859	516,467	517,063
2011	537,560	530,613	527,888	516,610	539,304	512,489	521,924	523,221
2012	543,966	536,954	533,737	522,097	546,808	517,210	527,393	528,704
2013	550,388	543,125	539,552	527,585	554,114	522,026	532,873	534,197
2014	556,696	548,943	545,289	533,072	561,288	526,753	538,365	539,703
2015	562,881	554,438	550,940	537,016	568,328	531,684	NA	NA
2016	568,936	559,698	556,375	542,504	575,231	536,611	NA	NA
2017	575,283	564,529	561,598	547,991	581,911	541,594	NA	NA

Chart 2. Three-County Metro Projected Population



Three of the projection sets that we developed use the latest state-level series created by the Census Bureau Population Projection Program (April 2005). Unfortunately, the Census Bureau did not generate county-level projections. For that reason, we developed three variations: three sets of county level population projections based on a county-share-of-state method. We developed these three separate variants in order to provide alternative future growth forecasts for the region driven by different depths of historical data.

We developed one projection set based on the historical 1995-2005 population for the three counties. We based the second projection set on a 1990-2005 historical base. The third set, for the 1985-2005 twenty-year period, provides the most muted outlook for the region's population growth, while the 1995-2005-based projection series accentuates and more aggressively forecasts that growth.



We labeled these scenarios ‘Census 95-05’, ‘Census 90-05’ and ‘Census 85-05’. The first projection shows growth that is more robust for all three counties, but more so for Dallas County. However, all three scenarios project population growth in Dallas County substantially above the numbers generated by the Des Moines Area Metropolitan Planning Organization, REMI or Woods & Poole (see Chart 3).

Our fourth scenario (‘Des Moines Area MBO’) uses the Census Bureau’s state-level population projections but uses the county projections provided by the Des Moines Area Metropolitan Planning Organization.

The fifth and sixth scenarios (‘W&P’ and ‘REMI’) use both the state and county from commercial data vendors. Woods & Poole Economics, Inc. released their population series in 2005; the REMI data was released in their version 7 model in 2006.

The Census state population trends to 2017 are consistent with recent patterns of a rather slow rate of overall growth, well below the national level. In addition, consistent with earlier trends, all scenarios project that a substantial share of the state’s population growth will occur in these three central Iowa counties.

The first scenario (Census 95-05) covers a ten-year period, begins in a period of moderate economic growth, but also includes the 2000-2002 technology-market-driven recession. The second scenario (Census 90-05) also includes the post-farm-recession growth of the early 1990s and the tech-driven economic bubble. The third scenario (Census 85-05) also includes the tail end of the 1980-86 recession.

Table 2  
Iowa Population Projection Series

Calendar Year	Census	REMI	Woods & Poole
2007	2,990,331	2,978,219	2,985,101
2008	2,997,608	2,991,536	2,996,667
2009	3,004,163	3,006,016	3,008,039
2010	3,009,907	3,021,531	3,019,526
2011	3,014,826	3,037,847	3,031,661
2012	3,018,988	3,054,975	3,044,362
2013	3,022,322	3,073,480	3,057,798
2014	3,024,770	3,093,148	3,070,604
2015	3,026,380	3,113,709	3,084,577
2016	3,027,058	3,135,240	3,098,593
2017	3,026,831	3,157,630	3,112,912

During the 1990s, Iowa's population grew at the average rate of 0.51% per year. From 2000-2004, the annual growth rate declined to an estimated 0.17%. The Census Bureau is currently projecting that the State's population will grow at that same rate between 2005 and 2017.

While the REMI and Woods & Poole projections are more robust at the state level, their methods appear to miss what has been happening at the local level. Table 2 shows the difference between the REMI, Wood & Poole and Census Bureau state-level projections.

The three county-level scenarios that we developed and the one using the MPO projections offer a range of alternative performance outlooks for the economy and population growth for the 3-county metro region.

The population projections which we developed, based on the more recent Census data and substantiated by employment and tax data, anticipate rapid growth in Dallas County along with continued strong growth in Polk County. Using the more recent growth experience, we project population growth to 575,283 by 2017.

Table 3 shows that both this growth track and the slightly slower ones in the second and third scenarios appear to be reasonable targets, consistent with performances achieved in the three counties over the last 10, 15 and 20-year periods.

In the absence of an extended or deep recession during the forecast period, all of these population growth scenarios seem reasonable. The only significant questions to consider are 1) how far and how fast will Dallas County's population continue to grow and 2) at what point will this growth begin to level off?

Table 3

Calendar Year	State	Three County Metro Population Growth					
	Population Growth	REMI	Census 95-05	Census 90-05	Census 85-06	MPO	W&P
1990-1999	5.1%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
<i>Yearly % Chg</i>	<i>0.5%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>1.5%</i>
2000-2004	0.8%	6.4%	6.5%	6.5%	6.5%	6.5%	6.5%
<i>Yearly % Chg</i>	<i>0.2%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>
2005-2017	2.0%	18.0%	16.0%	13.9%	13.3%	10.5%	11.6%
<i>Yearly % Chg</i>	<i>0.2%</i>	<i>1.5%</i>	<i>1.3%</i>	<i>1.2%</i>	<i>1.1%</i>	<i>0.9%</i>	<i>1.0%</i>
2007-2017	1.2%	14.4%	13.1%	11.9%	11.4%	10.8%	9.0%
<i>Yearly % Chg</i>	<i>0.1%</i>	<i>1.4%</i>	<i>1.3%</i>	<i>1.2%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>0.9%</i>

## County Population Projections

Before presenting our county population projections, we want to point out that metro-level projections are more likely to be on target than are the component county-level projections. A common regional economy drives overall performance for the three-county area, but forecasting which political jurisdiction will capture an individual locational choice is often difficult. Over the forecast period, Polk may gain or lose to Dallas County and vice versa, Warren County at the expense of Polk County. The smaller the geographic target area, the more difficult it is to project trends.

The degrees of freedom are smaller and the forecast accuracy declines as we narrow our geographic focus. With that caveat in mind, Tables 4-9 provide the six sets of alternative county population projections, which we used in our tax revenue forecasts.

Table 4 contains the projections contained in the 2006 REMI state and county-level lowa dataset.

Table 4  
REMI County Population Projection

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	53,194	412,020	43,572	508,786
2008	54,624	417,874	43,991	516,489
2009	55,978	423,720	44,434	524,132
2010	57,261	429,563	44,909	531,733
2011	58,492	435,402	45,410	539,304
2012	59,662	441,227	45,919	546,808
2013	60,742	446,950	46,422	554,114
2014	61,750	452,625	46,913	561,288
2015	62,692	458,237	47,399	568,328
2016	63,564	463,783	47,884	575,231
2017	64,397	469,152	48,362	581,911
2018	65,199	474,419	48,830	588,448
Chg/Yr	2.1%	1.4%	1.1%	1.4%

The projections in Table 5 are the result of a rolling ten-year linear trend extrapolation beginning in 2006, matching known data points and using the least squares method. The projections in Tables 6 and 7 are the result of a rolling fifteen and twenty-year linear trend series, respectively.

Table 5  
Census - 95-05 County Population Projections

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	54,363	410,017	43,813	508,193
2008	56,365	415,105	44,252	515,722
2009	58,409	419,952	44,677	523,038
2010	60,430	424,538	45,090	530,058
2011	62,430	428,967	45,480	536,877
2012	64,275	433,026	45,835	543,136
2013	66,094	437,137	46,176	549,407
2014	67,826	441,263	46,492	555,581
2015	69,522	445,261	46,848	561,630
2016	71,380	449,019	47,165	567,564
2017	73,363	452,977	47,488	573,828
2018	75,115	457,895	47,910	580,920
Chg/Yr	3.5%	1.1%	0.9%	1.3%

Table 6  
Census - 90-05 County Population Projections

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	52,552	407,384	43,714	503,650
2008	54,326	411,812	44,109	510,247
2009	56,096	416,216	44,492	516,804
2010	57,857	420,591	44,875	523,323
2011	59,569	424,857	45,244	529,670
2012	61,229	429,041	45,597	535,868
2013	62,862	433,071	45,951	541,884
2014	64,477	436,785	46,284	547,546
2015	66,037	440,236	46,601	552,873
2016	67,550	443,512	46,892	557,954
2017	68,941	446,504	47,154	562,600
2018	70,320	451,398	47,618	569,336
Chg/Yr	3.1%	1.0%	0.8%	1.2%

Table 7  
Census - 85-05 County Population Projections

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	50,463	409,872	43,867	504,202
2008	51,998	413,860	44,258	510,115
2009	53,539	417,912	44,654	516,105
2010	55,088	421,879	45,020	521,987
2011	56,603	425,896	45,389	527,888
2012	58,091	429,896	45,750	533,737
2013	59,559	433,895	46,098	539,552
2014	60,985	437,868	46,435	545,289
2015	62,370	441,798	46,772	550,940
2016	63,686	445,595	47,094	556,375
2017	64,935	449,263	47,399	561,598
2018	66,142	452,734	47,699	566,575
Chg/Yr	2.8%	1.0%	0.8%	1.1%

Table 8 contains single-year data interpolated from the 2000-2030 five-year incremental county population forecasts provided by the Des Moines Area Metropolitan Planning Organization.

Table 8  
Des Moines MPO County Population Projection

Year	Dallas	Polk	Warren	Metro Total
2007	48,472	402,754	43,433	494,659
2008	49,580	406,694	43,873	500,147
2009	50,689	410,633	44,312	505,634
2010	51,798	414,572	44,752	511,122
2011	52,907	418,511	45,192	516,610
2012	54,016	422,450	45,631	522,097
2013	55,124	426,390	46,071	527,585
2014	56,233	430,329	46,510	533,072
2015	57,441	432,469	47,106	537,016
2016	58,550	436,408	47,546	542,504
2017	59,659	440,347	47,985	547,991
Chg/Yr	2.3%	0.9%	1.0%	1.1%

Table 9 contains the individual year population forecasts from the Woods & Poole 2005 population projection for Iowa and the three metro counties.

Table 9  
Woods & Poole County Population Projection

Year	Dallas	Polk	Warren	Metro Total
2007	51,652	401,170	43,953	496,775
2008	51,598	404,453	44,475	500,526
2009	51,543	407,648	44,970	504,161
2010	51,488	410,891	45,480	507,859
2011	52,279	414,225	45,985	512,489
2012	53,069	417,626	46,515	517,210
2013	53,860	421,120	47,046	522,026
2014	54,650	424,530	47,573	526,753
2015	55,441	428,122	48,121	531,684
2016	56,254	431,694	48,663	536,611
2017	57,067	435,309	49,218	541,594
Chg/Yr	1.0%	0.9%	1.2%	0.9%

### From Population Projections to Revenue Projections

Population and spendable income are the primary drivers for sales tax receipts in Iowa. A multiple regression analysis of the historical data (1990-2004) produces a coefficient of correlation ( $R^2$ ) between taxable retail sales in Iowa, population, adjusted gross income (AGI) of 99.5%. For non-statisticians, that means that by knowing the population and the adjusted gross income in Iowa you can predict the taxable retail sales with a 99.5% assurance of being on target.

The Iowa Department of Revenue provided us with state and county adjusted gross income (AGI) statistics from 1980-2004 tax records. Using county population projections that we developed and the projections from the Metropolitan Planning Organization and the two commercial vendors, we projected adjusted gross income for the 13-year period 2005-2018 and trended it based on the 14-year 1990-2004 period.

We started our projections from calendar year 2005, which is the last year for which there are currently state and county-level Census population estimates. We extended the projections through calendar year 2018 so that later in the analysis we could estimate the tax revenue on a county fiscal year basis. The fiscal year runs from July 1 through June 30. For example, the fiscal year 2008 runs from July 1, 2007 to June 30, 2008.

In our analysis, we used the historical income, spending and taxes in nominal dollars, which are the actual, non-deflated dollars of those years. All of our projections are also valued in the future year dollars.

By using nominal dollars, the growth during the projected period includes 1) an inflation component that is consistent with the historical record and 2) gains that we expect will result from both income and population growth. The rate of inflation has been stable over the past ten years, averaging 2.5% per year and we anticipate similar price level rises in the 2007-2017 planning horizon.

Moody's Economy.com<sup>2</sup>, the Congressional Budget Office and the President's Office for Management and Budget are currently projecting annual inflation rates for the period of 2.6%, 2.2% and 2.4% respectively. The Federal Reserve Bank of Philadelphia's most recent survey of 53 forecasting economists foresees inflation over the 2006-2015 period averaging 2.5% per year.

The projected levels of AGI for the three-county region range from a high in calendar year 2018 of \$18.7 billion under the REMI scenario to a low of \$15.7 billion under the Woods & Poole scenario. Table 10 shows the projected yearly gross income that would be available under each of the population scenarios. Detailed tables showing the county-level AGI for each scenario are available in Appendix A.

Table 10  
Projected Three-County Metro Adjusted Gross Income (\$ Millions)

Calendar Year	REMI	Census 95-05	Census 90-05	Census 85-06	MPO	W&P
2007	\$13,256	\$13,194	\$12,935	\$12,981	\$12,314	\$12,388
2008	13,818	13,733	13,398	13,403	12,713	12,692
2009	14,326	14,203	13,816	13,782	13,070	12,942
2010	14,797	14,618	14,202	14,123	13,393	13,162
2011	15,255	15,011	14,566	14,456	13,698	13,412
2012	15,699	15,362	14,911	14,776	13,987	13,651
2013	16,172	15,752	15,283	15,129	14,310	13,931
2014	16,671	16,169	15,663	15,509	14,667	14,240
2015	17,214	16,628	16,076	15,938	14,976	14,627
2016	17,768	17,096	16,494	16,379	15,423	15,043
2017	18,261	17,536	16,836	16,759	15,821	15,410
2018	18,689	17,874	17,120	17,062	16,150	15,713

The relationship between the retail sales tax and the local option sales tax is a complex one. A county local option sales tax is imposed on the same items as the state sales tax, except that the following goods and services are exempt from the local option tax:<sup>3</sup>

1. *room rentals subject to local option hotel/motel tax.*
2. *sales of equipment by the State Department of Transportation.*
3. *sales of natural gas or electric energy subject to a city- or county-imposed franchise fee or users fee.*
4. *the sale of direct-to-home satellite pay television service*
5. *self-propelled building equipment, pile drivers, motorized scaffolding, or attachments customarily drawn or attached to them, including auxiliary attachments which improve their performance, safety, operation, or efficiency and including replacement parts; these must be used directly and primarily by*

<sup>2</sup> Moody's Economy.com described itself as "...a leading independent provider of economic, financial, country, and industry research designed to meet the diverse planning and information needs of businesses, governments, and professional investors worldwide."

<sup>3</sup> Iowa Department of Revenue, Local Option Tax Information, Section 78-601.

*contractors, subcontractors and builders for new construction, reconstruction, alterations, expansion or remodeling of real property or structures.*

*A county with a local option sales tax cannot impose the tax on the sale of cars and trucks. However, the receipts from the rental of cars and trucks and sales of parts and repair services can be subject to local option tax.*

*In addition, a county with a local option sales tax cannot impose the tax on items and services not subject to state sales tax.*

Generally, the tax base of a local option tax is the same as for a School Infrastructure Local Option (SILO) tax. Currently Dallas, Polk and Warren Counties have a SILO tax in place. The Polk County SILO tax began in July 1, 2000 and is due to sunset June 30, 2010. Both Dallas and Warren Counties established their SILO on July 1, 2004. While we have five years of historical data on SILO collections in Polk County, we have only one year of history in Dallas and Warren.

From that one year, we can see the difference in collections that resulted, compared with a simulated one-percent sales tax (based on 20% of the current sales tax). While at the state level, the SILO would have yielded 10% more revenue than the simulated 1% sales tax, at the county level the differences vary greatly (see Table 11).

Table 11  
Comparison Sales Tax and SILO Tax Revenues, FY2005

County	20% of State Sales Tax	SILO Revenues	Difference	% Diff	Adjustment Factor
Dallas	\$6,208,556	\$7,133,162	\$924,606	14.89%	114.89%
Polk	62,143,153	61,270,522	-872,631	-1.40%	98.60%
Warren	2,092,929	2,738,872	645,943	30.86%	130.86%
Total	\$70,444,638	\$71,142,556	\$697,918	0.99%	100.99%
State	\$296,495,050	\$326,820,931	\$30,325,881	10.23%	110.23%

For the three-county metro region, the aggregate difference would have been less than 1%. For the region, the simulated one-percent sales tax would have been a reasonable surrogate for a local option tax.

Our model projects the sales tax revenue based on the projected taxable sales for the state and for the individual counties. We then simulated the one-percent tax by multiplying the projected retail sales tax revenue by 20%. In order to move from sales tax revenues to local option tax revenues we multiplied the one-percent simulated sales tax for the state and the counties by the adjustment factors identified in Table 11. The last step in the process was to dampen the numbers to simulate a worst-case scenario, a malingering recession that would extend through the forecast horizon.

## Anticipating the Effect of Economic Slowdowns or Recessions

Economic downturns will occur and when they do, they will influence our income and spending levels. Our projections provide trend lines. The numbers for any given year may be above or below those trend lines. That is the nature of projections. Recessions or retail sales slowdowns will result in numbers that fall below the trend line. However, economic growth will just as likely yield numbers above the trend line.

In order to anticipate the effect these are likely to have on the local option sales tax projections, we examined the patterns that occurred in Iowa tax receipts during previous recessions or periods of economic slowdown. Table 12 shows the historical growth of Iowa Adjusted Gross Income and compares it with a trend line that we developed using the historical data to drive a regression analysis.

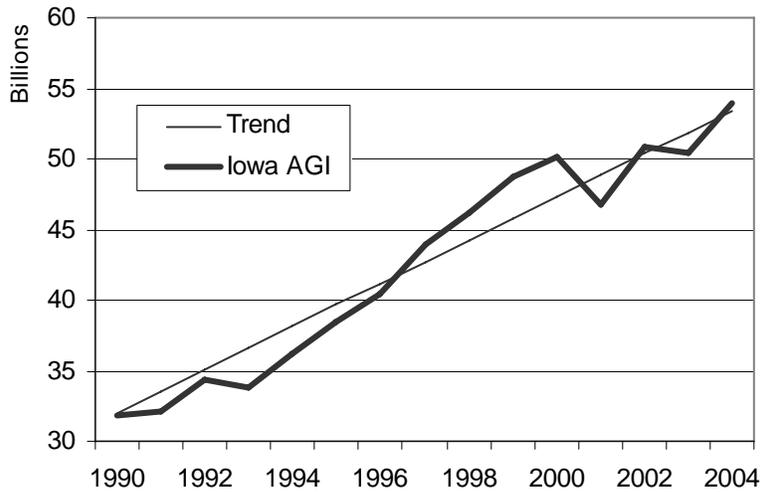
The years in bold indicate those in which the Iowa economy was experiencing an economic slowdown or recession. The actual growth rate was an annual average of 2.5% below the 15-year trend rate for the six recession years. By comparison, the annual average rate during the 1981-86 recession years in Iowa was 4.5% below the trend line.

Table 12  
Identifying the Growth Cycle in Iowa Adjusted Gross Income, 1990-2004

Year	Historical AGI (Millions)	Trend AGI (Millions)	Diff. (Millions)	% Diff.	Actual Growth Rate	Trend Growth Rate	Diff.
1990	\$31,866	\$32,003	-\$137	-0.4%	5.1%	5.0%	0.1%
<b>1991</b>	<b>32,753</b>	<b>33,533</b>	<b>-780</b>	<b>-2.4%</b>	<b>2.8%</b>	<b>4.8%</b>	<b>-2.0%</b>
1992	34,419	35,063	-645	-1.9%	5.1%	4.6%	0.5%
<b>1993</b>	<b>34,855</b>	<b>36,594</b>	<b>-1,739</b>	<b>-5.0%</b>	<b>1.3%</b>	<b>4.4%</b>	<b>-3.1%</b>
<b>1994</b>	<b>36,244</b>	<b>38,124</b>	<b>-1,880</b>	<b>-5.2%</b>	<b>4.0%</b>	<b>4.2%</b>	<b>-0.2%</b>
1995	38,474	39,654	-1,180	-3.1%	6.2%	4.0%	2.1%
1996	40,417	41,184	-767	-1.9%	5.1%	3.9%	1.2%
1997	43,914	42,714	1,200	2.7%	8.7%	3.7%	4.9%
1998	46,156	44,245	1,911	4.1%	5.1%	3.6%	1.5%
1999	48,786	45,775	3,011	6.2%	5.7%	3.5%	2.2%
<b>2000</b>	<b>50,283</b>	<b>47,305</b>	<b>2,978</b>	<b>5.9%</b>	<b>3.1%</b>	<b>3.3%</b>	<b>-0.3%</b>
<b>2001</b>	<b>49,326</b>	<b>48,835</b>	<b>490</b>	<b>1.0%</b>	<b>-1.9%</b>	<b>3.2%</b>	<b>-5.1%</b>
<b>2002</b>	<b>48,855</b>	<b>50,366</b>	<b>-1,510</b>	<b>-3.1%</b>	<b>-1.0%</b>	<b>3.1%</b>	<b>-4.1%</b>
2003	50,485	51,896	-1,411	-2.8%	3.3%	3.0%	0.3%
2004	53,973	53,426	547	1.0%	6.9%	2.9%	4.0%

The average annual rate of shortfall from the trend line that occurred during the recession years between 1990 and 2004 was 2.47%. Even reaching back into the 1980's, the average annual dip below the trend line including the farm recession years was 3.75%. For that reason, the analysts suggested dampening the projected LOST revenues for each year under each scenario by 3.0% to insure that the projections would under-promise and over-deliver. Chart 5 shows the historical adjusted gross income data for Iowa plotted against the trend line.

Chart 5. Trend and Forecast of Iowa AGI



When will the next economic slowdown occur? We examined the near-term economic outlook from a sampling of ten respected economic forecasters.<sup>4</sup> At the time of this writing, six of them expect a mild slowdown to occur in the third quarter of 2006; two expect it to begin in the fourth quarter. The chief economist at Fannie Mae expects it to extend through 2007.

Since our projections were all based on actual data through calendar 2004 (FY2005), they do not reflect the likely mild slowdown that we believe will occur in 2007 and perhaps again sometime during the ten-year planning horizon. For that reason, we have taken the conservative course by reducing all of the projections by 3.0% for all of the population growth scenarios.

### Projecting LOST Revenues

Tables 13 and 14 show the local option taxes that the metro region would collect under each of the alternative population growth scenarios. We have dampened the numbers for each scenario to reflect the worst-case-persistent-recession assumption. In addition, county detailed tables are available by calendar year in Appendix B and by fiscal year in Appendix C.

<sup>4</sup> The analysis included economic forecasts for the growth in the real U.S. Gross Domestic Product published in February and March, 2006 by the Federal Reserve Bank of Philadelphia survey of 53 economic forecasters, Mortgage Bankers Association, BMO Nesbitt Burns, National City Bank, Raymond James and Associates, Hanmi Bank – Dr. Sung Won Sohn, Blue Chip Economic Indicators, Northern Trust, Fannie Mae and Standard & Poor’s.

Table 13  
Local Option Sales Tax Receipt Projections, Dampened (\$ Millions)

Calendar Year	REMI	Census 95-05	Census 90-05	Census 85-06	MPO	W&P
2007	\$79.00	\$78.65	\$77.34	\$77.59	\$74.22	\$74.49
2008	81.38	80.94	79.27	79.30	75.86	75.62
2009	83.56	82.96	81.04	80.89	77.33	76.52
2010	85.75	84.90	82.83	82.49	78.78	77.40
2011	87.88	86.75	84.54	84.07	80.15	78.44
2012	90.01	88.46	86.20	85.63	81.51	79.47
2013	92.30	90.39	88.03	87.40	83.07	80.75
2014	94.82	92.54	90.01	89.40	84.93	82.30
2015	97.45	94.79	92.03	91.52	86.44	84.09
2016	100.15	97.11	94.11	93.74	88.65	86.06
2017	102.60	99.35	95.86	95.71	90.68	87.84
2018	104.98	101.35	97.60	97.59	92.71	89.65

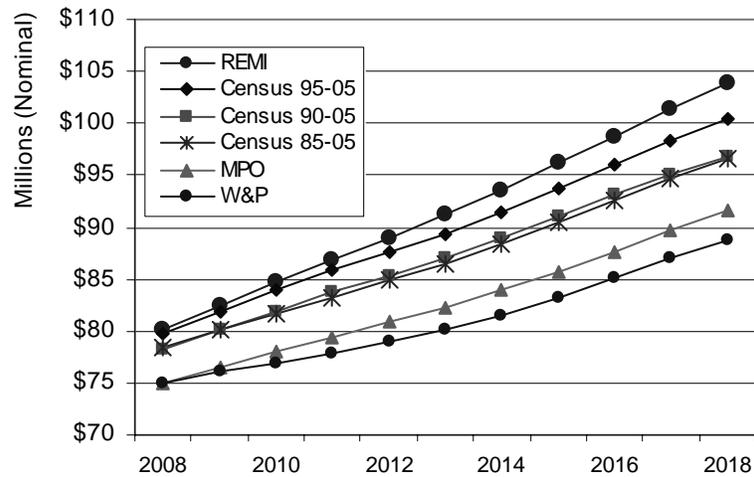
Table 14  
Local Option Sales Tax Receipt Projections, Dampened (\$ Millions)

Fiscal Year	REMI	Census 95-05	Census 90-05	Census 85-06	MPO	W&P
2008	\$80.19	\$79.79	\$78.30	\$78.44	\$75.04	\$75.05
2009	82.47	81.95	80.15	80.10	76.60	76.07
2010	84.65	83.93	81.94	81.69	78.05	76.96
2011	86.81	85.83	83.69	83.28	79.47	77.92
2012	88.95	87.61	85.37	84.85	80.83	78.96
2013	91.16	89.42	87.12	86.52	82.29	80.11
2014	93.56	91.46	89.02	88.40	84.00	81.52
2015	96.14	93.66	91.02	90.46	85.69	83.20
2016	98.80	95.95	93.07	92.63	87.54	85.08
2017	101.38	98.23	94.99	94.72	89.66	86.95
2018	103.79	100.35	96.73	96.65	91.70	88.74
Chg/Yr	2.9%	2.6%	2.4%	2.3%	2.2%	1.8%

The REMI scenario provides the highest projected LOST revenue in fiscal year 2018 of \$103.8 million of tax revenues while the Woods & Poole scenario offers the lowest at \$88.7 million. The Census 90-05 and the Census 85-05 scenarios would each generate about \$96.7 million of revenues by 2018, while the Des Moines Area Metropolitan Planning Organization scenario would generate a projected \$91.7.

Chart 4 displays the information graphically and Appendix B and C contain the detailed tables for each scenario.

Chart 4. Projected LOST Revenues, Fiscal Years



### Estimating the Impact of Non-Resident Retail Spending in the Region

Unlike the retail sales tax in Iowa, which the merchant collects based on the location of the sale; the merchant collects the local option tax based on the point of delivery. For example, a retail purchaser from Boone who buys and takes delivery of an item of furniture at a Dallas County store would pay a Dallas County local option tax. If the purchaser were to have the item delivered to the Boone County address, the merchant would collect and submit funds and a report to the state department of revenue. The revenue department would ultimately remit the local option tax revenue to Boone County.

This difference makes projecting just who will pay a proposed local option tax more difficult. If every county had a local option tax, the pattern of county inflows and outflows of retail trade would probably be the same as for the current taxable retail sales. In addition to Dallas and Warren, there are currently only nine other counties in Iowa that do not have a local option tax.<sup>5</sup>

We assume that most of the non-residents who will make purchases within the metro region will take the merchandise with them, but some will have the items delivered to an out-of-region address. The metro counties will not benefit from any local option taxes collected for those out-of-region deliveries. However, if other nearby counties also have a local option tax in place, taxes collected from out-of-region purchases by metro county residents will also come back into the region.

Perhaps if we look at the mix of purchases that customers have made in the metro region we might have a better idea of what portion of those purchases will result in local option tax revenues that will stay within the region. For each of the population scenarios, Table 15 shows projected share of LOST taxable purchases by sector that will occur in FY2008. We applied the FY 2005 historical share of taxable retail purchases in the region to the projected LOST revenue.

<sup>5</sup> The other counties include Adams, Calhoun, Cedar, Johnson, Louisa, Osceola, Poweshiek, Ringgold and Wayne.

Sales that would involve delivery outside of the region would not occur or would be highly unlikely for businesses that sell apparel, food dealers, services and eating and drinking establishments. Building material, home furnishing and general merchandise stores will likely deliver some of their goods to customers located outside of the region. To get a better picture of just what types of items are included in each of the 14 business group sectors, see the detailed state level table in Appendix E.

Table 15  
Three-County Metro Projected LOST Revenues, Fiscal Year 2008 (\$ Millions)

Sector	Share FY2005 Taxable Retail Sales	REMI	Census 95-05	Census 90-05	Census 85-05	MPO	W&P
Apparel	3.3%	2.7	2.6	2.6	2.6	2.5	2.5
Building Materials	7.6%	6.1	6.1	6.0	6.0	5.7	5.7
Eating & Drinking Places	8.5%	6.9	6.8	6.7	6.7	6.4	6.4
Food Dealers	3.3%	2.7	2.7	2.6	2.6	2.5	2.5
General Merchandise	14.2%	11.4	11.4	11.1	11.2	10.7	10.7
Home Furnishings	4.8%	3.9	3.9	3.8	3.8	3.6	3.6
Miscellaneous	10.1%	8.1	8.0	7.9	7.9	7.5	7.5
Motor Vehicle	4.6%	3.7	3.7	3.6	3.6	3.4	3.4
Services	14.5%	11.7	11.6	11.4	11.4	10.9	10.9
Specialty Retail	8.8%	7.0	7.0	6.9	6.9	6.6	6.6
Utilities	10.0%	8.0	8.0	7.8	7.8	7.5	7.5
Wholesale Goods	10.2%	8.2	8.1	8.0	8.0	7.7	7.7
Total	100.0%	80.19	79.79	78.30	78.44	75.04	75.05

Another way to get a handle on the retail inflow and outflow picture is to examine retail surpluses and leakages. This is a method developed by Iowa State University economist Kenneth Stone and employed by him for nearly 30 years. Professor Stone's method compares actual sales to an estimated measure of potential sales for the county. According to Professor Stone:

"The retail trade surplus or leakage figures compute the net outflow (leakage) or inflow (surplus) of retail trade for each county. The negative numbers indicate a leakage while the positive numbers indicate a surplus.

The retail trade surplus or leakage is determined by comparing a county's actual sales, as reported by the Iowa Department of Revenue and Finance, with its potential sales. Potential sales are derived by the following equation.

$$\text{Potential Sales} = \text{County Population} \times \text{Index of Income} \times \text{State Average Sales per Person}$$

The index of income is computed by dividing average county income by average state income.”<sup>6</sup>

This method provides a rough measure of how many of your county’s retail dollars are flowing out and how many other counties’ retail dollars are flowing into the region. While there are a few shortcomings to using this model, we have modified it for this report. Instead of using per capita income at the state and county level to compute the “index of income”, we have chosen to use the adjusted gross income data provided by the state revenue department. AGI is spendable income, where a personal income measure includes the accumulated value of capital assets and other non-spendable assets.

Substituting AGI for personal income appears to accentuate the higher levels and faster rates of growth of AGI in the metro counties. As a result, the potential sales coming from counties outside the metro region is less and the retail surplus diminishes over time.

There is another implicit shortcoming with the Stone surplus-leakage model. By using the “average state sales per person” as the norm, we are assuming that per capita consumption patterns are homogenous across the state – both as to the amount of spending and the variety of items purchased. Recognizing these two shortcomings (one, which we have endeavored to correct, and the other, which we will overlook for now) we have included the modified-Stone-equivalent tables for our six scenarios in Appendix D.

The tables identify the projected taxable sales, the projected potential taxable sales, the dollar difference and the percentage difference. The percentage difference represents a surplus, if the amount is positive, or a leakage, if the amount is negative. Table 16 (below) duplicates the last table in Appendix D. It is apparent that for each scenario, for each of the 10 years, the metro region would be receiving a net inflow of retail sales from other areas of the state or beyond. In all of the scenarios, the percentage of surplus ranges from 7.3-8.8% in the first year and from 3.0-5.4% in the tenth year.

Table 16  
Projected Percentage Taxable Retail Sales Surplus(+) or Leakage(-)

Fiscal Year	REMI	Census 95-05	Census 90-05	Census 85-06	MPO	W&P
2008	7.3%	7.3%	7.7%	7.8%	8.8%	8.4%
2009	6.6%	6.4%	6.9%	7.1%	8.0%	7.8%
2010	6.0%	5.7%	6.2%	6.4%	7.3%	7.3%
2011	5.6%	5.2%	5.7%	6.0%	6.7%	6.9%
2012	5.3%	4.7%	5.2%	5.6%	6.3%	6.5%
2013	5.1%	4.4%	4.9%	5.3%	5.9%	6.3%
2014	5.1%	4.2%	4.6%	5.1%	5.7%	6.1%
2015	5.0%	3.9%	4.4%	4.8%	5.4%	5.9%
2016	4.9%	3.5%	4.1%	4.5%	5.0%	5.7%
2017	4.9%	3.2%	3.8%	4.2%	4.7%	5.5%
2018	4.9%	3.0%	3.6%	4.1%	4.5%	5.4%

<sup>6</sup> Kenneth Stone and Georgeanna Artz, 2001 Iowa County Retail Surplus or Leakage, ISU Extension Retail Trade Analysis Program, Fall 2002.

In the absence of more definitive and detailed data, we have no reason to believe that the metro region will not experience a similar pattern of surplus revenue inflows from the proposed LOST.

## **Methodology**

The projection techniques which we employed in this study use established and identifiable relationships between economic and demographic factors with retail sales and ultimately with a one percent local option sales tax (LOST). We identified and estimated these economic relationships for the historic period of 1990-2004 and then projected forward for a ten-year period covered by the LOST.

The major determinants of retail sales and LOST revenues are population and income. Basing sales on these factors requires projections of population and income into the forecast period. Several sources of population projections for Iowa are available at the state level, while the options at the county level are more limited.

The Census Bureau provides an inter-censal estimate for state and county to 2005 and then a mid-range projection of state-level population through 2030. Population projections at the state and county level are also available from private demographic and economic modeling firms. The two firms, whose projections we employed in this analysis, are Woods & Poole Economics, Inc. and Regional Economic Models, Inc. (REMI). Analysts frequently use demographic projections from Woods & Poole Economics, Inc. and economic projections developed by REMI. The REMI projections were provided by the Iowa Department of Revenue in response to a request from the Greater Des Moines Partnership.

Several alternative measures of income are available. Total personal income, readily available from the Commerce Department Bureau of Economic Analysis, is often used in economic series. This, however, is somewhat imprecise because at higher incomes a significant share will not find its way into the consumption stream. A better measure of disposable income available for retail spending is the Adjusted Gross Income (AGI) by place of residence. Over the historical period, we and other analysts have observed a strong and statistically significant relationship between AGI and taxable sales. We developed coefficients based on this relationship to project retail sales and tax revenues.

We principally directed our attention to projecting sales tax revenues, based on the state taxable sales. However, the base for local option sales tax differs from that established for the general sales tax by a series of exemptions. We examined the significance of this difference by comparing the revenues generated for the three counties by the general sales and by the School Infrastructure Local Option Tax (SILO) for fiscal year 2005.

Table 11 (earlier in this text) shows that if the local option tax were in effect in FY2005, it would have generated less than one-percent difference from a surrogate that used one-fifth of the revenue collected in the three counties by the five-percent state sales tax. However, the table also shows that at the county level, the differences are substantial. Residents making retail purchases outside of their home county but still making them within the metro region can explain much of this difference.

## **The Project Team**

Our project team includes Harvey Siegelman, retired State Economist of Iowa and Daniel Otto, Professor of Economics at Iowa State University. We are grateful for the generous assistance of Michael Lipsman and his staff at the Iowa Department of Revenue. We also thank Tom Kane at the Des Moines Area Metropolitan Planning Organization for providing a set of county population projections, Frances Antonovitz, Joyce Gamble and Marlena Bandurski for providing editorial input.

## Appendix A – Detailed Adjusted Gross Income Projections by Scenario

Table A-1  
REMI County Adjusted Gross Income

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$1,467,017,159	\$10,872,497,031	\$916,003,249	\$13,255,517,439
2008	1,535,946,824	11,331,708,423	950,211,413	13,817,866,659
2009	1,603,090,630	11,740,327,346	982,254,784	14,325,672,760
2010	1,664,947,261	12,116,442,215	1,015,495,430	14,796,884,906
2011	1,725,159,983	12,480,615,440	1,049,072,422	15,254,847,846
2012	1,781,369,429	12,837,059,292	1,080,936,418	15,699,365,139
2013	1,832,251,530	13,225,723,596	1,114,120,812	16,172,095,937
2014	1,878,340,135	13,644,756,635	1,147,928,829	16,671,025,599
2015	1,921,228,826	14,108,623,609	1,183,833,917	17,213,686,351
2016	1,966,685,960	14,579,942,833	1,221,524,655	17,768,153,448
2017	2,012,260,928	14,990,465,366	1,258,252,325	18,260,978,618
2018	2,049,384,152	15,348,059,088	1,291,785,430	18,689,228,669

Table A-2  
Census 95-05 County Adjusted Gross Income

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$1,499,434,764	\$10,757,530,708	\$936,652,886	\$13,193,618,358
2008	1,592,684,297	11,167,616,666	973,108,515	13,733,409,478
2009	1,689,598,445	11,508,860,431	1,004,414,825	14,202,873,702
2010	1,783,438,857	11,801,177,371	1,033,810,778	14,618,427,006
2011	1,877,072,523	12,073,377,313	1,060,399,553	15,010,849,390
2012	1,962,212,363	12,316,514,386	1,082,842,646	15,361,569,395
2013	2,045,087,041	12,600,867,468	1,106,156,312	15,752,110,821
2014	2,122,607,159	12,917,327,422	1,128,817,476	16,168,752,057
2015	2,198,584,047	13,273,434,932	1,156,462,475	16,628,481,453
2016	2,288,800,346	13,624,327,285	1,182,843,849	17,095,971,479
2017	2,387,118,394	13,940,055,472	1,209,141,497	17,536,315,363
2018	2,467,723,166	14,175,666,697	1,230,732,557	17,874,122,420

## Appendix A – Detailed Adjusted Gross Income Projections by Scenario Continued

Table A-3  
Census 90-05 County Adjusted Gross Income

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$1,415,527,530	\$10,586,237,035	\$932,974,662	\$12,934,739,228
2008	1,498,321,324	10,934,309,073	965,449,892	13,398,080,290
2009	1,582,411,997	11,240,246,696	993,431,726	13,816,090,419
2010	1,664,282,121	11,517,019,050	1,020,700,903	14,202,002,074
2011	1,744,592,421	11,775,854,868	1,045,927,867	14,566,375,156
2012	1,821,248,676	12,021,895,354	1,068,312,156	14,911,456,185
2013	1,895,444,272	12,294,703,739	1,092,598,419	15,282,746,429
2014	1,967,298,641	12,579,383,652	1,116,693,821	15,663,376,114
2015	2,036,629,627	12,897,204,591	1,141,796,245	16,075,630,463
2016	2,111,163,669	13,215,884,736	1,166,962,676	16,494,011,081
2017	2,182,363,303	13,463,872,207	1,189,592,676	16,835,828,185
2018	2,245,558,208	13,665,291,535	1,208,879,230	17,119,728,973

Table A-4  
Census 85-05 County Adjusted Gross Income

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$1,318,739,988	\$10,724,273,571	\$938,482,013	\$12,981,495,572
2008	1,390,536,020	11,041,823,422	970,735,773	13,403,095,216
2009	1,463,756,958	11,319,338,549	999,366,370	13,782,461,878
2010	1,535,955,876	11,562,702,949	1,024,759,153	14,123,417,978
2011	1,607,153,271	11,799,717,885	1,049,194,428	14,456,065,584
2012	1,675,931,462	12,028,431,099	1,071,258,370	14,775,620,931
2013	1,742,422,743	12,292,280,936	1,094,051,960	15,128,755,639
2014	1,805,220,276	12,586,501,529	1,117,376,911	15,509,098,716
2015	1,865,952,967	12,929,214,091	1,142,735,293	15,937,902,350
2016	1,931,719,521	13,278,595,871	1,168,805,481	16,379,120,873
2017	1,997,049,294	13,569,079,684	1,193,283,118	16,759,412,096
2018	2,052,123,544	13,794,976,635	1,215,070,727	17,062,170,906

## Appendix A – Detailed Adjusted Gross Income Projections by Scenario Continued

Table A-5  
Des Moines Metro Planning County Adjusted Gross Income

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$1,226,491,267	\$10,180,549,356	\$906,928,256	\$12,313,968,879
2008	1,277,982,843	10,492,810,821	942,552,048	12,713,345,712
2009	1,330,570,107	10,764,536,379	974,514,884	13,069,621,371
2010	1,382,301,806	11,004,937,814	1,005,337,195	13,392,576,815
2011	1,434,387,918	11,229,036,885	1,034,648,439	13,698,073,242
2012	1,485,617,371	11,439,432,374	1,061,754,306	13,986,804,050
2013	1,535,532,004	11,683,775,775	1,090,515,636	14,309,823,414
2014	1,583,411,029	11,963,040,344	1,120,651,586	14,667,102,959
2015	1,634,912,283	12,176,849,407	1,164,144,565	14,975,906,255
2016	1,690,965,201	12,533,007,663	1,198,760,246	15,422,733,110
2017	1,751,780,282	12,836,341,334	1,232,810,039	15,820,931,655
2018	1,802,240,399	13,084,013,120	1,264,164,407	16,150,417,926

Table A-6  
Woods & Poole County Adjusted Gross Income

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$1,374,551,580	\$10,068,666,856	\$944,850,427	\$12,388,068,863
2008	1,372,118,748	10,333,166,214	987,009,100	12,692,294,062
2009	1,370,841,077	10,548,051,672	1,022,934,779	12,941,827,529
2010	1,368,184,105	10,735,374,718	1,058,858,654	13,162,417,476
2011	1,405,391,109	10,913,528,793	1,093,056,891	13,411,976,792
2012	1,441,932,287	11,082,150,369	1,127,112,974	13,651,195,630
2013	1,477,507,888	11,290,482,846	1,162,988,539	13,930,979,273
2014	1,511,553,754	11,528,525,166	1,199,949,499	14,240,028,419
2015	1,544,814,219	11,841,856,313	1,240,638,949	14,627,309,482
2016	1,586,075,244	12,174,725,565	1,282,672,624	15,043,473,433
2017	1,632,747,178	12,451,575,382	1,325,260,077	15,409,582,637
2018	1,672,561,277	12,674,653,185	1,365,798,784	15,713,013,245

## Appendix B – Detailed County Tax Revenue Projections by Scenario

Table B-1  
REMI Projected LOST Receipts

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$6,171,012	\$72,142,425	\$3,124,776	\$81,438,212
2008	6,582,430	74,047,527	3,266,349	83,896,306
2009	6,993,952	75,748,008	3,402,478	86,144,437
2010	7,381,634	77,470,026	3,545,638	88,397,298
2011	7,761,473	79,154,432	3,686,467	90,602,372
2012	8,110,629	80,871,626	3,811,880	92,794,135
2013	8,416,159	82,816,033	3,923,511	95,155,702
2014	8,689,021	85,018,011	4,047,077	97,754,109
2015	8,915,049	87,357,524	4,190,344	100,462,917
2016	9,169,457	89,739,028	4,343,690	103,252,176
2017	9,418,954	91,860,486	4,492,769	105,772,209
2018	9,622,965	93,963,052	4,641,077	108,227,094

Table B-2  
REMI Projected LOST Receipts with Recession Dampener

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$5,985,881	\$69,978,152	\$3,031,032	\$78,995,066
2008	6,384,958	71,826,101	3,168,358	81,379,417
2009	6,784,133	73,475,567	3,300,403	83,560,104
2010	7,160,185	75,145,925	3,439,269	85,745,379
2011	7,528,628	76,779,799	3,575,873	87,884,301
2012	7,867,310	78,445,477	3,697,523	90,010,311
2013	8,163,674	80,331,552	3,805,805	92,301,031
2014	8,428,350	82,467,471	3,925,665	94,821,486
2015	8,647,598	84,736,798	4,064,634	97,449,030
2016	8,894,374	87,046,857	4,213,380	100,154,610
2017	9,136,385	89,104,671	4,357,986	102,599,043
2018	9,334,276	91,144,160	4,501,845	104,980,282

## Appendix B – Detailed County Tax Revenue Projections by Scenario Continued

Table B-3  
Census 95-05 Projected LOST Receipts

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$6,330,056	\$71,542,182	\$3,206,094	\$81,078,331
2008	6,868,955	73,213,730	3,356,624	83,439,309
2009	7,441,069	74,590,522	3,489,437	85,521,028
2010	8,004,774	75,903,822	3,616,032	87,524,628
2011	8,570,216	77,139,742	3,727,124	89,437,082
2012	9,079,044	78,303,196	3,813,732	91,195,972
2013	9,560,350	79,733,431	3,888,154	93,181,936
2014	10,005,038	81,425,647	3,968,827	95,399,512
2015	10,411,346	83,231,883	4,078,859	97,722,089
2016	10,912,038	85,018,149	4,186,691	100,116,878
2017	11,451,587	86,675,074	4,293,870	102,420,531
2018	11,894,323	88,192,211	4,394,257	104,480,791

Table B-4  
Census 95-05 Projected LOST Receipts with Recession Dampener

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$6,140,154	\$69,395,916	\$3,109,911	\$78,645,981
2008	6,662,886	71,017,318	3,255,925	80,936,130
2009	7,217,837	72,352,806	3,384,754	82,955,397
2010	7,764,631	73,626,707	3,507,551	84,898,889
2011	8,313,110	74,825,549	3,615,311	86,753,970
2012	8,806,673	75,954,100	3,699,320	88,460,093
2013	9,273,540	77,341,428	3,771,510	90,386,478
2014	9,704,887	78,982,878	3,849,762	92,537,527
2015	10,099,006	80,734,927	3,956,494	94,790,426
2016	10,584,677	82,467,604	4,061,090	97,113,372
2017	11,108,039	84,074,822	4,165,053	99,347,915
2018	11,537,494	85,546,444	4,262,429	101,346,367

**Appendix B – Detailed County Tax Revenue Projections by Scenario  
Continued**

Table B-5  
Census 90-05 Projected LOST Receipts

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$5,898,609	\$70,637,455	\$3,191,519	\$79,727,583
2008	6,378,990	72,013,009	3,326,061	81,718,061
2009	6,881,991	73,220,967	3,445,334	83,548,292
2010	7,383,753	74,447,630	3,563,194	85,394,577
2011	7,882,590	75,601,915	3,668,824	87,153,328
2012	8,354,439	76,759,216	3,755,314	88,868,968
2013	8,798,777	78,118,772	3,833,155	90,750,704
2014	9,224,574	79,650,156	3,918,792	92,793,522
2015	9,602,727	81,257,738	4,018,619	94,879,084
2016	10,026,720	82,874,316	4,121,447	97,022,483
2017	10,426,271	84,184,510	4,213,858	98,824,639
2018	10,784,284	85,525,246	4,304,810	100,614,340

Table B-6  
Census 90-05 Projected LOST Receipts with Recession Dampener

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$5,721,651	\$68,518,331	\$3,095,773	\$77,335,755
2008	6,187,620	69,852,619	3,226,280	79,266,519
2009	6,675,531	71,024,338	3,341,974	81,041,843
2010	7,162,240	72,214,201	3,456,298	82,832,740
2011	7,646,112	73,333,857	3,558,759	84,538,728
2012	8,103,806	74,456,439	3,642,654	86,202,899
2013	8,534,814	75,775,209	3,718,160	88,028,183
2014	8,947,837	77,260,652	3,801,228	90,009,717
2015	9,314,646	78,820,006	3,898,060	92,032,712
2016	9,725,919	80,388,087	3,997,803	94,111,809
2017	10,113,483	81,658,975	4,087,442	95,859,899
2018	10,460,755	82,959,489	4,175,665	97,595,910

## Appendix B – Detailed County Tax Revenue Projections by Scenario Continued

Table B-7  
Census 85-05 Projected LOST Receipts

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$5,399,481	\$71,372,071	\$3,213,219	\$79,984,772
2008	5,815,710	72,589,399	3,346,866	81,751,975
2009	6,257,451	73,670,174	3,468,668	83,396,293
2010	6,708,237	74,751,725	3,578,684	85,038,646
2011	7,164,057	75,820,123	3,680,838	86,665,019
2012	7,604,300	76,911,839	3,765,951	88,282,089
2013	8,020,593	78,241,966	3,838,241	90,100,800
2014	8,412,262	79,830,484	3,921,051	92,163,797
2015	8,754,356	81,576,944	4,021,756	94,353,055
2016	9,144,732	83,364,913	4,128,014	96,637,659
2017	9,528,881	84,910,274	4,227,679	98,666,833
2018	9,858,356	86,418,444	4,329,013	100,605,814

Table B-8  
Census 85-05 Projected LOST Receipts with Recession Dampener

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$5,237,497	\$69,230,909	\$3,116,823	\$77,585,229
2008	5,641,239	70,411,717	3,246,460	79,299,416
2009	6,069,727	71,460,069	3,364,608	80,894,404
2010	6,506,990	72,509,173	3,471,323	82,487,486
2011	6,949,136	73,545,520	3,570,413	84,065,068
2012	7,376,171	74,604,483	3,652,972	85,633,627
2013	7,779,975	75,894,707	3,723,094	87,397,776
2014	8,159,894	77,435,569	3,803,419	89,398,883
2015	8,491,725	79,129,635	3,901,103	91,522,464
2016	8,870,390	80,863,965	4,004,174	93,738,529
2017	9,243,014	82,362,965	4,100,848	95,706,828
2018	9,562,606	83,825,891	4,199,143	97,587,639

**Appendix B – Detailed County Tax Revenue Projections by Scenario  
Continued**

Table B-9  
MPO Projected LOST Receipts

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$4,915,872	\$68,509,077	\$3,088,090	\$76,513,040
2008	5,209,290	69,765,089	3,234,822	78,209,201
2009	5,523,010	70,826,129	3,370,147	79,719,285
2010	5,845,682	71,863,343	3,503,030	81,212,054
2011	6,183,089	72,824,135	3,626,120	82,633,344
2012	6,520,044	73,775,183	3,732,012	84,027,238
2013	6,845,787	74,967,095	3,825,809	85,638,690
2014	7,162,703	76,461,166	3,934,076	87,557,946
2015	7,462,466	77,547,375	4,105,861	89,115,701
2016	7,811,596	79,331,020	4,246,478	91,389,094
2017	8,189,516	80,910,080	4,384,263	93,483,859
2018	8,515,738	82,540,462	4,524,033	95,580,233

Table B-10  
MPO Projected LOST Receipts with Recession Dampener

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$4,768,396	\$66,453,805	\$2,995,447	\$74,217,648
2008	5,053,011	67,672,136	3,137,777	75,862,925
2009	5,357,319	68,701,345	3,269,042	77,327,707
2010	5,670,311	69,707,442	3,397,939	78,775,693
2011	5,997,596	70,639,411	3,517,336	80,154,343
2012	6,324,443	71,561,927	3,620,051	81,506,421
2013	6,640,413	72,718,082	3,711,035	83,069,530
2014	6,947,822	74,167,331	3,816,054	84,931,207
2015	7,238,592	75,220,953	3,982,685	86,442,230
2016	7,577,248	76,951,089	4,119,084	88,647,421
2017	7,943,830	78,482,778	4,252,735	90,679,343
2018	8,260,266	80,064,248	4,388,312	92,712,826

## Appendix B – Detailed County Tax Revenue Projections by Scenario Continued

Table B-11  
Woods & Poole Projected LOST Receipts

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$5,704,928	\$67,847,353	\$3,238,668	\$76,790,949
2008	5,731,989	68,816,704	3,412,179	77,960,873
2009	5,760,789	69,557,943	3,563,836	78,882,568
2010	5,776,348	70,297,316	3,717,113	79,790,776
2011	6,020,497	70,987,232	3,859,169	80,866,898
2012	6,262,673	71,677,154	3,992,728	81,932,556
2013	6,495,838	72,631,842	4,116,679	83,244,359
2014	6,722,423	73,864,941	4,253,819	84,841,183
2015	6,913,036	75,366,028	4,416,110	86,695,173
2016	7,169,371	76,964,306	4,586,707	88,720,384
2017	7,458,098	78,340,230	4,759,227	90,557,555
2018	7,718,059	79,764,292	4,935,746	92,418,097

Table B-12  
Woods & Poole Projected LOST Receipts with Recession Dampener

Calendar Year	Dallas	Polk	Warren	Metro Total
2007	\$5,533,780	\$65,811,932	\$3,141,508	\$74,487,220
2008	5,560,030	66,752,203	3,309,814	75,622,047
2009	5,587,965	67,471,204	3,456,921	76,516,091
2010	5,603,057	68,188,396	3,605,599	77,397,053
2011	5,839,882	68,857,615	3,743,394	78,440,892
2012	6,074,793	69,526,840	3,872,946	79,474,579
2013	6,300,963	70,452,886	3,993,179	80,747,028
2014	6,520,751	71,648,993	4,126,204	82,295,948
2015	6,705,645	73,105,047	4,283,626	84,094,318
2016	6,954,289	74,655,377	4,449,106	86,058,772
2017	7,234,355	75,990,023	4,616,450	87,840,828
2018	7,486,517	77,371,363	4,787,674	89,645,554

## Appendix C – Adaptation of Calendar Year to Fiscal Year Projections

Table C-1  
REMI Projected Fiscal Year LOST Receipts with Dampener

Fiscal Year	Dallas	Polk	Warren	Metro Total
2008	\$6,185,419	\$70,902,126	\$3,099,695	\$80,187,241
2009	6,584,545	72,650,834	3,234,381	82,469,760
2010	6,972,159	74,310,746	3,369,836	84,652,742
2011	7,344,407	75,962,862	3,507,571	86,814,840
2012	7,697,969	77,612,638	3,636,698	88,947,306
2013	8,015,492	79,388,515	3,751,664	91,155,671
2014	8,296,012	81,399,511	3,865,735	93,561,259
2015	8,537,974	83,602,135	3,995,149	96,135,258
2016	8,770,986	85,891,828	4,139,007	98,801,820
2017	9,015,380	88,075,764	4,285,683	101,376,827
2018	9,235,331	90,124,416	4,429,916	103,789,662
Chg/Yr	4.9%	2.7%	4.3%	2.9%

Table C-2  
Census 95-05 Projected FY LOST Receipts with Recession Dampener

Fiscal Year	Dallas	Polk	Warren	Metro Total
2008	\$6,401,520	\$70,206,617	\$3,182,918	\$79,791,055
2009	6,940,362	71,685,062	3,320,340	81,945,763
2010	7,491,234	72,989,757	3,446,153	83,927,143
2011	8,038,870	74,226,128	3,561,431	85,826,429
2012	8,559,891	75,389,825	3,657,315	87,607,031
2013	9,040,106	76,647,764	3,735,415	89,423,285
2014	9,489,213	78,162,153	3,810,636	91,462,002
2015	9,901,946	79,858,902	3,903,128	93,663,977
2016	10,341,842	81,601,266	4,008,792	95,951,899
2017	10,846,358	83,271,213	4,113,072	98,230,643
2018	11,322,767	84,810,633	4,213,741	100,347,141
Chg/Yr	7.7%	2.1%	3.2%	2.6%

## Appendix C – Adaptation of Calendar Year to Fiscal Year Projections Continued

Table C-3  
Census 90-05 Projected Fiscal Year LOST Receipts with Dampener

Fiscal Year	Dallas	Polk	Warren	Metro Total
2008	\$5,954,636	\$69,185,475	\$3,161,026	\$78,301,137
2009	6,431,576	70,438,479	3,284,127	80,154,181
2010	6,918,886	71,619,270	3,399,136	81,937,292
2011	7,404,176	72,774,029	3,507,529	83,685,734
2012	7,874,959	73,895,148	3,600,707	85,370,814
2013	8,319,310	75,115,824	3,680,407	87,115,541
2014	8,741,325	76,517,930	3,759,694	89,018,950
2015	9,131,241	78,040,329	3,849,644	91,021,214
2016	9,520,282	79,604,047	3,947,932	93,072,260
2017	9,919,701	81,023,531	4,042,623	94,985,854
2018	10,287,119	82,309,232	4,131,554	96,727,904
Chg/Yr	7.3%	1.9%	3.1%	2.4%

Table C-4  
Census 85-05 Projected Fiscal Year LOST Receipts with Dampener

Fiscal Year	Dallas	Polk	Warren	Metro Total
2008	\$5,439,368	\$69,821,313	\$3,181,641	\$78,442,322
2009	5,855,483	70,935,893	3,305,534	80,096,910
2010	6,288,359	71,984,621	3,417,965	81,690,945
2011	6,728,063	73,027,346	3,520,868	83,276,277
2012	7,162,653	74,075,001	3,611,693	84,849,347
2013	7,578,073	75,249,595	3,688,033	86,515,701
2014	7,969,935	76,665,138	3,763,257	88,398,330
2015	8,325,810	78,282,602	3,852,261	90,460,673
2016	8,681,057	79,996,800	3,952,639	92,630,496
2017	9,056,702	81,613,465	4,052,511	94,722,679
2018	9,402,810	83,094,428	4,149,996	96,647,234
Chg/Yr	7.3%	1.9%	3.0%	2.3%

## Appendix C – Adaptation of Calendar Year to Fiscal Year Projections Continued

Table C-5  
MPO Projected Fiscal Year LOST Receipts with Dampener

Fiscal Year	Dallas	Polk	Warren	Metro Total
2008	\$4,910,704	\$67,062,971	\$3,066,612	\$75,040,286
2009	5,205,165	68,186,740	3,203,410	76,595,316
2010	5,513,815	69,204,394	3,333,491	78,051,700
2011	5,833,954	70,173,426	3,457,638	79,465,018
2012	6,161,020	71,100,669	3,568,694	80,830,382
2013	6,482,428	72,140,004	3,665,543	82,287,975
2014	6,794,117	73,442,707	3,763,544	84,000,368
2015	7,093,207	74,694,142	3,899,370	85,686,719
2016	7,407,920	76,086,021	4,050,884	87,544,826
2017	7,760,539	77,716,933	4,185,909	89,663,382
2018	8,102,048	79,273,513	4,320,524	91,696,085
Chg/Yr	6.5%	1.8%	4.1%	2.2%

Table C-6  
Woods & Poole Projected Fiscal Year LOST Receipts with Dampener

Fiscal Year	Dallas	Polk	Warren	Metro Total
2008	\$5,546,905	\$66,282,068	\$3,225,661	\$75,054,634
2009	5,573,998	67,111,704	3,383,368	76,069,069
2010	5,595,511	67,829,800	3,531,260	76,956,572
2011	5,721,470	68,523,006	3,674,497	77,918,972
2012	5,957,338	69,192,227	3,808,170	78,957,735
2013	6,187,878	69,989,863	3,933,062	80,110,803
2014	6,410,857	71,050,940	4,059,691	81,521,488
2015	6,613,198	72,377,020	4,204,915	83,195,133
2016	6,829,967	73,880,212	4,366,366	85,076,545
2017	7,094,322	75,322,700	4,532,778	86,949,800
2018	7,360,436	76,680,693	4,702,062	88,743,191
Chg/Yr	3.3%	1.6%	4.6%	1.8%

## Appendix D – Projected Retail Sales Surpluses and Leakages

Table D-1  
Projected Taxable Retail Sales (\$ Millions)

Fiscal Year	REMI	Census 95-05	Census 90-05	Census 85-06	MPO	W&P
2008	\$8,212.8	\$8,166.0	\$8,017.4	\$8,039.3	\$7,694.4	\$7,682.4
2009	8,442.1	8,379.8	8,200.9	8,203.0	7,849.1	7,784.0
2010	8,661.1	8,575.6	8,377.2	8,360.3	7,993.4	7,872.6
2011	8,878.1	8,763.1	8,550.0	8,516.9	8,133.3	7,967.7
2012	9,092.5	8,939.0	8,716.8	8,672.6	8,268.3	8,069.4
2013	9,315.7	9,119.8	8,890.6	8,838.7	8,413.5	8,183.3
2014	9,560.2	9,324.4	9,081.3	9,027.8	8,585.4	8,324.2
2015	9,822.4	9,546.1	9,282.6	9,235.9	8,753.8	8,492.5
2016	10,094.0	9,776.1	9,488.8	9,454.9	8,939.5	8,681.8
2017	10,355.9	10,004.2	9,680.5	9,665.5	9,152.3	8,869.5
2018	10,601.2	10,215.8	9,854.9	9,859.1	9,356.3	9,048.7

Table D-2  
Projected Potential Taxable Retail Sales (\$ Millions)

Fiscal Year	REMI	Census 95-05	Census 90-05	Census 85-06	MPO	W&P
2008	\$7,653.9	\$7,610.4	\$7,442.5	\$7,457.1	\$7,073.5	\$7,089.6
2009	7,920.1	7,872.1	7,668.7	7,660.6	7,265.4	7,218.0
2010	8,170.5	8,111.6	7,885.5	7,853.9	7,447.6	7,334.2
2011	8,408.9	8,333.2	8,091.1	8,037.9	7,619.2	7,453.1
2012	8,637.6	8,536.5	8,285.1	8,215.9	7,781.1	7,575.7
2013	8,861.0	8,734.2	8,476.1	8,394.7	7,943.4	7,699.4
2014	9,097.8	8,951.3	8,678.0	8,591.5	8,125.8	7,842.3
2015	9,354.5	9,190.6	8,894.0	8,812.2	8,306.7	8,015.7
2016	9,618.6	9,441.1	9,117.8	9,047.1	8,510.0	8,211.6
2017	9,872.9	9,691.7	9,327.2	9,273.6	8,743.4	8,405.3
2018	10,106.3	9,918.3	9,510.8	9,473.3	8,955.0	8,581.3

## Appendix D – Projected Retail Sales Surpluses and Leakages Continued

Table D-3  
Projected Taxable Retail Sales Surplus(+) or Leakage(-) (\$ Millions)

Fiscal Year	REMI	Census 95-05	Census 90-05	Census 85-06	MPO	W&P
2008	\$558.9	\$555.6	\$574.9	\$582.2	\$620.9	\$592.8
2009	522.0	507.6	532.3	542.3	583.7	565.9
2010	490.6	464.0	491.7	506.4	545.8	538.4
2011	469.2	429.9	459.0	478.9	514.1	514.6
2012	454.9	402.5	431.8	456.7	487.2	493.7
2013	454.7	385.6	414.6	444.0	470.1	483.9
2014	462.4	373.1	403.4	436.3	459.6	482.0
2015	467.9	355.5	388.5	423.6	447.0	476.7
2016	475.4	335.0	370.9	407.8	429.4	470.2
2017	482.9	312.5	353.3	391.9	408.9	464.2
2018	494.9	297.5	344.1	385.8	401.3	467.4

Table D-4  
Projected Percentage Taxable Retail Sales Surplus(+) or Leakage(-)

Fiscal Year	REMI	Census 95-05	Census 90-05	Census 85-06	MPO	W&P
2008	7.3%	7.3%	7.7%	7.8%	8.8%	8.4%
2009	6.6%	6.4%	6.9%	7.1%	8.0%	7.8%
2010	6.0%	5.7%	6.2%	6.4%	7.3%	7.3%
2011	5.6%	5.2%	5.7%	6.0%	6.7%	6.9%
2012	5.3%	4.7%	5.2%	5.6%	6.3%	6.5%
2013	5.1%	4.4%	4.9%	5.3%	5.9%	6.3%
2014	5.1%	4.2%	4.6%	5.1%	5.7%	6.1%
2015	5.0%	3.9%	4.4%	4.8%	5.4%	5.9%
2016	4.9%	3.5%	4.1%	4.5%	5.0%	5.7%
2017	4.9%	3.2%	3.8%	4.2%	4.7%	5.5%
2018	4.9%	3.0%	3.6%	4.1%	4.5%	5.4%

## Appendix E – Iowa Retail Sales Tax by Business Group

Table E-1  
Iowa Retail Sales Tax by Business Groups, FY2005

Business Groups	# Of Returns	Taxable Sales	Computed Tax	% Of Tax
Non-Residents	48	\$129,088	\$25,436	0.00%
<b>Utilities &amp; Transportation Group</b>				
Communication Utilities	3,556	1,355,708,284	67,786,067	4.55%
Electric And Gas Utilities	2,149	1,586,080,987	79,296,832	5.33%
Water And Sanitation Utilities	3,696	385,861,660	19,294,184	1.30%
Transportation And Warehousing Companies	3,875	145,121,783	7,256,457	0.49%
Group Totals	13,276	3,472,772,714	173,633,540	11.66%
<b>Building Materials Group</b>				
Building Material Dealers	2,667	1,974,874,303	98,746,161	6.63%
Paint And Glass Stores	585	70,925,137	3,546,282	0.24%
Hardware Stores	1,645	252,622,748	12,631,172	0.85%
Garden Supply Stores	1,752	79,852,257	3,992,440	0.27%
Mobile Home Dealers	191	4,204,011	210,201	0.01%
Group Totals	6,840	2,382,478,456	119,126,256	8.00%
<b>General Merchandise Group</b>				
Department Stores	1,094	3,901,242,268	195,062,114	13.10%
Variety Stores	644	152,692,817	7,634,645	0.51%
Miscellaneous General Merchandise Stores	5,250	833,790,830	41,690,308	2.80%
Group Totals	6,988	4,887,725,915	244,387,067	16.41%
<b>Food Dealers Group</b>				
Grocery Stores And Convenience Stores	4,025	1,291,625,324	64,585,794	4.34%
Specialized Groceries	2,274	66,881,048	3,343,717	0.22%
Group Totals	6,299	1,358,506,372	67,929,511	4.56%
<b>Motor Vehicle Group</b>				
Automobile Dealers	3,102	501,120,164	24,851,007	1.67%
Automotive Parts	5,161	497,219,980	24,861,793	1.67%
Gas Stations	4,661	453,428,070	22,671,500	1.52%
Recreational Vehicles	1,457	159,858,214	7,961,926	0.53%
Group Totals	14,381	1,611,626,428	80,346,226	5.40%
<b>Apparel Group</b>				
Clothing And Clothing Accessories Stores	4,600	614,870,665	30,744,171	2.06%
Shoe Stores	967	127,342,684	6,367,137	0.43%
Group Totals	5,567	742,213,349	37,111,308	2.49%
<b>Home Furnishings And Appliances Group</b>				
Furniture Stores	2,108	383,701,049	19,189,510	1.29%
Home Furnishing Stores	2,011	198,939,432	9,947,087	0.67%
Appliance Entertainment Equipment Stores	3,760	799,859,240	40,063,987	2.69%
Group Totals	7,879	1,382,499,721	69,200,584	4.65%

Table E-1 (continued)  
Iowa Retail Sales Tax by Business Groups, FY2005

Business Groups	# Of Returns	Taxable Sales	Computed Tax	% Of Tax
<b>Eating And Drinking Places Group</b>				
Restaurants Taverns And Bars	26,711	\$2,710,570,974	\$135,531,835	9.10%
Group Totals	26,711	2,710,570,974	135,531,835	9.10%
<b>Specialty Retail Stores Group</b>				
Drug Stores	2,767	260,129,170	13,003,475	0.87%
Liquor Stores	490	45,166,128	2,258,320	0.15%
Used Merchandise Stores	6,521	78,833,880	3,936,085	0.26%
Sporting Goods Stores	4,993	247,702,017	12,384,870	0.83%
Books And Stationery Stores	1,652	161,925,086	8,096,321	0.54%
Jewelry Stores	1,969	171,708,546	8,585,527	0.58%
Hobby And Toy Stores	10,639	170,391,584	8,512,827	0.57%
Gift And Novelty Shops	4,207	146,620,377	7,321,458	0.49%
Mail Order Stores	489	16,025,043	801,297	0.05%
Vending Machines	1,481	87,203,458	4,360,157	0.29%
Direct Selling	3,969	107,739,806	5,385,556	0.36%
Fuel And Ice Dealers	346	29,314,828	1,465,756	0.10%
Florists	1,953	60,454,595	3,019,734	0.20%
Other Specialty Shops	17,003	649,972,107	32,497,157	2.18%
Group Totals	58,479	2,233,186,625	111,628,540	7.50%
<b>Services Group</b>				
Finance Insurance Real Estate & Leasing	4,696	122,053,259	6,103,906	0.41%
Hotels And Other Lodging Places	3,727	526,192,719	26,312,120	1.77%
Laundry And Cleaning	3,268	111,385,917	5,569,243	0.37%
Photographic Studios	3,306	63,640,787	3,182,289	0.21%
Beauty/Barber Shops	22,662	266,855,339	13,343,805	0.90%
Shoe Repair Shops	161	2,048,409	102,415	0.01%
Funeral Homes	1,660	78,105,287	3,905,351	0.26%
Other Personal Services	2,764	66,117,966	3,305,509	0.22%
Building Maintenance	4,256	130,383,194	6,518,813	0.44%
Employment Agencies	475	47,390,315	2,369,532	0.16%
Other Business Services	14,257	627,719,204	31,364,065	2.11%
Automobile Rental And Storage	689	71,528,106	3,576,423	0.24%
Automobile Repair And Services	17,033	719,166,875	35,944,504	2.41%
Electrical Repair	2,188	88,726,724	4,462,574	0.30%
Watch Jewelry Repair	150	2,984,020	149,204	0.01%
Furniture Repair	1,389	9,711,401	485,142	0.03%
Miscellaneous Repair	9,212	253,046,090	12,646,900	0.85%
Motion Picture Theatres	751	85,214,919	4,260,769	0.29%
Arts Entertainment & Recreation	6,725	373,349,817	18,669,536	1.25%
Education Institutions - Athletic Events	672	39,538,186	1,976,922	0.13%
Other Services	4,628	90,518,057	4,526,353	0.30%
Group Totals	104,669	3,775,676,591	188,775,375	12.68%
<b>Wholesales Goods Group</b>				
Motor Vehicle	757	72,402,250	3,622,168	0.24%
Furniture And Home Furnishings	118	31,988,044	1,599,407	0.11%
Construction Materials	4,231	845,783,869	42,289,303	2.84%

Table E-1 (continued)  
Iowa Retail Sales Tax by Business Groups, FY2005

Business Groups	# Of Returns	Taxable Sales	Computed Tax	% Of Tax
Farm And Garden Equipment	7,380	915,195,584	45,080,113	3.03%
Miscellaneous Durable Goods	625	\$43,460,763	\$2,172,014	0.15%
Apparel Piece Goods	42	1,231,007	61,550	0.00%
Groceries And Farm Products	819	56,374,358	2,818,911	0.19%
Miscellaneous Nondurable Goods	5,495	390,831,399	19,538,272	1.31%
Group Totals	19,467	2,357,267,274	117,181,738	7.87%
Miscellaneous Group				
Agriculture Production And Services	9,681	264,354,819	13,205,519	0.89%
Mining	816	56,545,744	2,827,299	0.19%
General Contractors	5,935	331,670,401	16,394,784	1.10%
Plumbing And Heating Contractors	5,359	308,846,410	15,437,245	1.04%
Painting Contractors	2,064	29,397,184	1,470,169	0.10%
Electrical Contractors	3,146	115,837,941	5,780,000	0.39%
Carpentry Contractors	1,811	72,976,094	3,644,899	0.24%
Other Special Trade Contractors	4,257	286,038,987	14,296,893	0.96%
Food Manufacturers	887	62,197,810	3,110,040	0.21%
Apparel And Textile Manufacturers	116	3,023,384	151,164	0.01%
Furniture Wood And Paper Manufacturers	1,287	117,736,173	5,840,616	0.39%
Pub Books & Newspapers /Commercial				
Printers	2,090	117,563,541	5,878,235	0.39%
Nonmetallic Product Manufacturers	1,124	176,480,188	8,628,281	0.58%
Industrial Equipment Manufacturers	1,847	272,984,344	13,649,258	0.92%
Miscellaneous Manufacturers	2,295	178,874,702	8,894,921	0.60%
Temporary Retailers	361	23,851,948	1,164,661	0.08%
Group Totals	43,076	2,418,379,670	120,373,984	8.09%
Late Filers	31,963	472,267,407	23,598,237	1.58%
Grand Total	345,643	\$29,805,300,584	\$1,488,849,637	100.0%