

## General Fund Revenue Update

### Revenues in February's Mirror Closer Than They Appear

#### *Why timing differences are important this month*

In a typical fiscal year, February is a quiet revenue month. 2018 is different, as the past month saw many moving parts in non-tax revenue: tobacco settlement bonds, gaming auction fees and special fund transfers. In addition, many non-tax revenue sources were deposited ahead of schedule (compared to the official estimate).

Non-tax collections of \$398.8 million were the reason General Fund revenues in February were \$406.3 million above the official estimate, and year-to-date revenues are \$496.0 million above the estimate. By comparison, February tax revenues were just \$7.4 million above estimate.

**Many non-tax sources were deposited ahead of schedule, meaning the General Fund will not receive those revenues in future months. Because of this timing issue, non-tax revenues should finish closer to the official estimate by the end of the fiscal year. Over the next few months, this revenue category will likely fall short of estimate when the timing differences work themselves out.**

March brings large corporation tax payments and the start of the tax filing season for the personal income tax. Shifts in taxpayer behavior will be especially important to watch because of changes to federal tax law.

For February:

- Total General Fund collections were \$406.3 million higher than expected (12.8 percent)
- General Fund tax revenues were \$7.5 million higher than anticipated (0.4 percent)
- Corporation taxes were \$6.4 million below estimate (7.7 percent)
- Sales and use tax collections finished higher than expected by \$1.7 million (0.2 percent)
  - ◊ Non-motor collections were \$7.4 higher than projected (1.2 percent)
  - ◊ Motor vehicle collections were \$5.7 million below estimate (5.9 percent)
- Personal income tax collections were \$5.1 million higher than expected (0.6 percent)
  - ◊ Employer withholdings on wages and salaries were \$15.8 million more than anticipated (2.0 percent)
  - ◊ Non-withheld collections finished below estimate by \$10.7 million (17.6 percent)
- Non-tax revenues were \$398.8 million more than anticipated (31.2 percent)

Non-tax revenues in February include the receipt of tobacco settlement bond proceeds, special fund transfers, gaming auction proceeds and liquor store profits. Fiscal year to date:

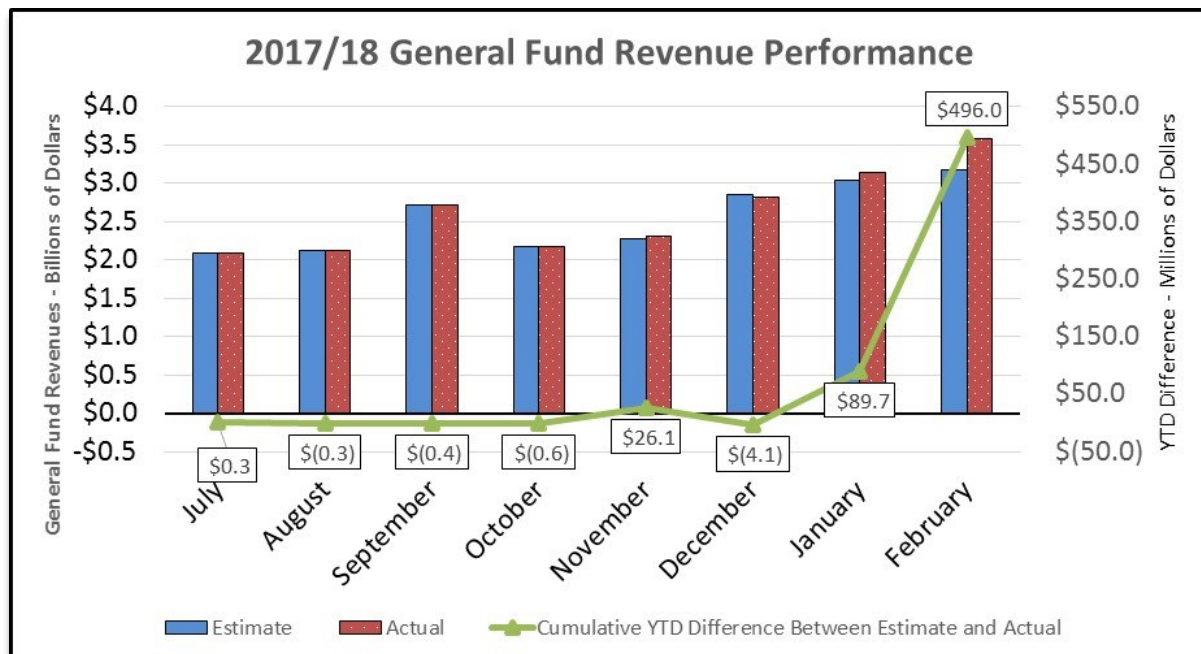
- Cumulative General Fund revenues are \$496.0 million higher than expected (2.4 percent)
- General Fund tax revenue is \$95.7 million higher than projected (0.5 percent)
- Corporation taxes are \$30.5 million below the official estimate (2.0 percent)
- Sales and use taxes are \$4.3 million lower than expected (0.1 percent)

- Personal income tax collections are \$138.2 million more than anticipated (1.7 percent)
- Non-tax revenues are \$400.3 million above the estimate (22.0 percent)

Compared to year-to-date collections during the past fiscal year:

- Total General Fund revenues are 16.6 percent higher (in large part due to non-tax revenues)
- General Fund tax revenue is 5.9 percent higher
- Corporation taxes are 7.0 percent higher
- Sales and use taxes have increased by 4.0 percent
- Personal income tax collections are 8.5 percent higher

General Fund Revenues - Year-to-Date Performance vs Official Estimate			
	Amounts in Millions	YTD Estimate	YTD Collections
General Fund Total		20,453.2	20,949.2
Tax Revenue Total		18,632.6	18,728.3
Corporation Taxes		1,548.2	1,517.7
Consumption Taxes		8,022.6	7,995.8
Sales and Use Tax		6,863.9	6,859.6
Cigarette Tax		807.0	792.7
Other Tobacco Products		79.2	78.5
Malt Beverage Tax		16.2	15.9
Liquor Tax		256.3	249.2
Other Taxes		9,061.8	9,214.8
Personal Income Tax		8,023.0	8,161.2
Realty Transfer Tax		336.0	334.5
Inheritance Tax		631.4	629.3
Table Games		79.4	79.4
Minor and Repealed		(8.0)	10.4
Non-Tax Revenue		1,820.6	2,220.9



**House Appropriations Committee (D)**

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