

# Monthly Revenue Update

## May 2020



May revenue collections of \$2.11 billion fell below monthly projections released by the Independent Fiscal Office (IFO) in August 2019 by \$502.6 million (-19.3 percent) due to the impact of continued business closures and other mitigation efforts to slow the spread of the COVID-19 virus. The shortfall is entirely attributable to the virus and consists of: (1) \$430 million in lost revenue from reduced economic activity, (2) \$15 million in processing delays or delayed due dates (expected to resolve in the current fiscal year) and (3) \$70 million that will shift to fiscal year (FY) 2020-21 as a result of extended tax due dates. The impact of the virus was partially offset by a \$10 million overage in various revenue sources. May fiscal-year-to-date (FYTD) collections are \$2.70 billion (-8.4 percent) below estimate.

Monthly sales and use tax (SUT) collections were below estimate by \$282.9 million or 28.8 percent in May, with the shortfall in non-motor collections (-\$189.5 million) and motor vehicle (MV) SUT collections (-\$93.4 million) resulting from the impact of mitigation efforts related to COVID-19. MV collections began to improve toward the end of the month, as dealerships in designated counties started to reopen. FYTD SUT collections are \$670.9 million (-6.4 percent) below estimate, with \$135 million of the shortfall expected to be recovered in FY 2020-21.

Corporate net income tax (CNIT) collections for May were below estimate by \$208.9 million. The majority of the shortfall (-\$200.2 million) occurred in final payments and is related to the extension of the due date to August 14. The IFO projects that \$340 million of the \$387.0 million FYTD shortfall has been shifted to next fiscal year.

Personal income tax (PIT) collections for May exceeded estimate by \$46.6 million. A shortfall in withholding collections of \$86.2 million was more than offset by a non-withholding overage of \$132.8 million, as payments began to arrive in accordance with the extended due dates. Despite a decline in April payroll employment of roughly 17 percent, withholding collections for April/May were only 7 percent below the same period of the prior year. Through May, FYTD PIT collections are \$1.50 billion (-11.2 percent) below estimate, with \$1.25 billion of the shortfall expected to be received next fiscal year.

May realty transfer (RTT) and inheritance (INH) tax collections were below estimate (-\$19.1 million and -\$34.2 million, respectively). The RTT shortfall is related to reduced economic activity and the INH shortfall is attributed to the closure of county courthouses. The INH shortfall is expected to be recouped in the current fiscal year.

### FY 2019-20 Revenue Performance Through May

	May Collections			Fiscal Year Collections		
	Actual	Estimate	Variance	Actual	Estimate	Variance
<b>General Fund</b>	<b>\$2,105.6</b>	<b>\$2,608.2</b>	<b>-\$502.6</b>	<b>\$29,600.9</b>	<b>\$32,298.1</b>	<b>-\$2,697.2</b>
Corporate Net Income	118.9	327.8	-208.9	2,437.6	2,824.6	-387.0
SUT - Non-Motor	648.5	838.0	-189.5	8,636.7	9,102.1	-465.4
SUT - Motor Vehicle	50.6	144.0	-93.4	1,206.9	1,412.4	-205.5
PIT - Withholding	752.3	838.5	-86.2	9,786.5	9,961.1	-174.6
PIT - Non-Withholding	194.9	62.1	132.8	2,032.1	3,352.6	-1,320.5
Cigarette	85.9	93.8	-7.9	833.2	847.5	-14.3
Inheritance	69.1	103.4	-34.2	1,001.9	969.7	32.3
Other Taxes	133.5	162.5	-29.0	3,036.5	3,200.0	-163.5
Non-Tax	51.9	38.2	13.7	629.5	628.2	1.3

Dollar amounts in millions. Estimate refers to IFO official estimate published in June 2019.

## GENERAL FUND REVENUES SUMMARY

Revenue Source	May 2020	May 2019	FYTD 2019-20	FYTD 2018-19	Monthly Growth	FYTD Growth
<b>Total General Fund</b>	\$2,105.6	\$2,616.3	\$29,600.9	\$31,779.3	-19.5%	-6.9%
<b>Total Tax Revenue</b>	2,053.7	2,582.4	28,971.5	30,976.7	-20.5	-6.5
<b>Total Corporation Taxes</b>	145.6	344.7	4,440.3	4,920.7	-57.7	-9.8
Accelerated Deposits	(0.5)	(1.0)	3.1	2.2	n.a.	n.a.
Corporate Net Income	118.9	312.3	2,437.6	2,825.5	-61.9	-13.7
Gross Receipts	(3.0)	12.7	1,101.6	1,221.3	-123.4	-9.8
Utility Property	28.4	18.5	37.8	36.1	53.7	4.6
Insurance Premium	1.1	1.5	471.9	459.6	-26.5	2.7
Financial Institution	0.7	0.6	388.2	375.9	14.4	3.3
<b>Total Consumption Taxes</b>	822.4	1,087.1	11,151.1	11,635.5	-24.4	-4.2
Sales and Use - Total	699.1	944.8	9,843.6	10,130.6	-26.0	-2.8
Non-Motor	648.5	811.6	8,636.7	8,768.6	-20.1	-1.5
Motor Vehicle	50.6	133.3	1,206.9	1,362.0	-62.0	-11.4
Cigarette	85.9	95.8	833.2	1,014.6	-10.4	-17.9
Other Tobacco Products	9.9	11.3	116.7	117.8	-12.8	-1.0
Malt Beverage	2.1	2.0	21.0	21.2	3.7	-1.3
Liquor	25.4	33.1	336.7	351.2	-23.3	-4.1
<b>Total Other Taxes</b>	1,085.7	1,150.6	13,380.1	14,420.5	-5.6	-7.2
Personal Income - Total	947.2	966.0	11,818.6	12,892.0	-1.9	-8.3
Withholding	752.3	930.9	9,786.5	9,638.2	-19.2	1.5
Quarterly	38.7	21.0	1,378.5	1,556.2	84.5	-11.4
Annual	156.1	14.1	653.6	1,697.7	n.a.	-61.5
Realty Transfer	33.0	46.9	464.7	480.3	-29.6	-3.2
Inheritance	69.1	101.9	1,001.9	957.2	-32.1	4.7
Gaming	4.0	14.0	138.3	122.6	-71.0	12.8
Minor and Repealed	32.3	22.0	(43.4)	(31.5)	47.3	-37.5
<b>Total Non-Tax Revenue</b>	51.9	33.9	629.5	802.6	53.3	-21.6
State Store Fund Transfers	0.0	0.0	185.1	185.1	0.0	0.0
Lic., Fees & Misc.	45.9	25.4	369.2	536.6	80.7	-31.2
Licenses and Fees	10.4	(1.6)	130.8	312.3	731.7	-58.1
Miscellaneous	35.5	27.0	238.4	224.3	31.3	6.3
Treasury	1.0	4.0	25.5	65.1	-74.4	-60.8
Escheats	31.6	18.6	183.3	96.4	70.1	90.2
Other Miscellaneous	2.9	4.5	29.6	62.8	-35.7	-52.9
Fines, Penalties & Interest	6.0	8.5	75.2	80.9	-29.0	-7.1

Note: Dollar amounts in millions. Growth rates computed from same time period in previous year and use unrounded amounts.