

Monthly Revenue Update

June 2020



June revenue collections of \$2.67 billion fell short of monthly projections released by the Independent Fiscal Office (IFO) in August 2019 by \$545.2 million (-16.9 percent). The shortfall is almost entirely attributable to the impact of the COVID-19 virus. Fiscal year (FY) 2019-20 collections totaled \$32.28 billion, \$3.24 billion (-9.1 percent) below estimate. The shortfall roughly consists of: (1) \$1.36 billion in lost revenue from reduced economic activity and (2) \$1.91 billion that shifts to FY 2020-21 as a result of extended tax due dates. The impact of the virus was partially offset by a \$35 million overage in various other revenue sources.

Corporate net income tax (CNIT) collections for June were \$243.8 million (-38.5 percent) below estimate. The majority of the shortfall (-\$190.6 million) occurred in estimated payments and is related to the impact of the COVID-19 virus on corporate profits. FY 2019-20 CNIT collections were \$630.8 million below estimate. More than half of the fiscal year shortfall (roughly \$340 million) is related to the extension of the due date for most tax year 2019 final payments to August 14 and is expected in FY 2020-21.

Personal income tax (PIT) collections for June were below estimate by \$213.7 million (-17.4 percent). Shortfalls in withholding (-\$75.4 million) and quarterly (-\$218.7 million) payments were partially offset by an overage in annual payments (\$80.4 million). FY 2019-20 PIT collections were \$1.71 billion below estimate, with \$1.35 billion of the shortfall attributed to virus-related due date extensions and is expected next fiscal year.

June sales and use tax (SUT) collections exceeded revenues for the same month of the prior year by 0.5 percent, but were below estimate by \$55.1 million (-5.4 percent), with a shortfall in non-motor collections (-\$78.1 million) partially offset by an overage in motor vehicle (MV) SUT collections (\$22.9 million). June MV SUT collections were likely boosted by pent-up demand from business closures in March, April and May. SUT collections for the fiscal year were \$726.0 million (-6.3 percent) below estimate. The IFO projects that \$135 million of the fiscal year shortfall will be recouped in July 2020, when the prepayment requirement for some taxpayers resumes.

June realty transfer (RTT) and inheritance (INH) tax collections were below estimate by \$26.2 million and \$16.8 million, respectively. The RTT shortfall is attributed to reduced economic activity and the INH shortfall is the result of delayed payment due dates related to the closure of county courthouses. FY 2019-20 RTT collections fell short of estimate by \$54.8 million and INH tax collections exceeded estimate by \$15.5 million. It is projected that there is still a significant amount of delayed INH tax collections that will be remitted in FY 2020-21 (\$70 million).

FY 2019-20 Revenue Performance Through June

	June Collections			Fiscal Year Collections		
	Actual	Estimate	\$ Diff	Actual	Estimate	\$ Diff
General Fund	\$2,674.8	\$3,220.0	-\$545.2	\$32,275.8	\$35,518.1	-\$3,242.3
Corporate Net Income	389.3	633.1	-243.8	2,826.9	3,457.7	-630.8
SUT - Non-Motor	816.1	894.2	-78.1	9,452.8	9,996.3	-543.5
SUT - Motor Vehicle	158.0	135.1	22.9	1,365.0	1,547.5	-182.5
PIT - Withholding	756.2	831.6	-75.4	10,542.8	10,792.7	-249.9
PIT - Non-Withholding	260.2	398.5	-138.3	2,292.2	3,751.1	-1,458.9
Cigarette	91.1	100.5	-9.4	924.3	948.0	-23.7
Inheritance	80.1	96.9	-16.8	1,082.0	1,066.5	15.5
Other Taxes	88.3	135.9	-47.6	3,124.8	3,335.9	-211.1
Non-Tax	35.5	-5.8	41.2	664.9	622.4	42.5

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

GENERAL FUND REVENUES SUMMARY

Revenue Source	June 2020	June 2019	FYTD 2019-20	FYTD 2018-19	Monthly Growth	FYTD Growth
Total General Fund	\$2,674.8	\$3,078.6	\$32,275.8	\$34,857.9	-13.1%	-7.4%
Total Tax Revenue	2,639.4	3,079.6	31,610.9	34,056.3	-14.3	-7.2
Total Corporation Taxes	398.7	590.1	4,839.0	5,510.8	-32.4	-12.2
Accelerated Deposits	0.5	0.2	3.6	2.5	n.a.	n.a.
Corporate Net Income	389.3	572.1	2,826.9	3,397.5	-32.0	-16.8
Gross Receipts	2.7	28.8	1,104.3	1,250.1	-90.7	-11.7
Utility Property	0.0	0.2	37.8	36.3	-95.9	4.2
Insurance Premium	1.6	(15.3)	473.6	444.3	110.7	6.6
Financial Institution	4.6	4.2	392.9	380.1	10.4	3.4
Total Consumption Taxes	1,107.2	1,118.3	12,258.3	12,753.8	-1.0	-3.9
Sales and Use - Total	974.2	969.0	10,817.8	11,099.6	0.5	-2.5
Non-Motor	816.1	847.4	9,452.8	9,616.0	-3.7	-1.7
Motor Vehicle	158.0	121.6	1,365.0	1,483.6	29.9	-8.0
Cigarette	91.1	104.2	924.3	1,118.8	-12.5	-17.4
Other Tobacco Products	10.6	12.1	127.3	129.9	-12.3	-2.0
Malt Beverage	2.2	2.3	23.2	23.5	-4.3	-1.6
Liquor	29.0	30.6	365.7	381.9	-5.3	-4.2
Total Other Taxes	1,133.5	1,371.2	14,513.5	15,791.8	-17.3	-8.1
Personal Income - Total	1,016.4	1,203.5	12,835.0	14,095.5	-15.5	-8.9
Withholding	756.2	805.7	10,542.8	10,443.9	-6.1	0.9
Quarterly	150.1	366.2	1,528.6	1,922.4	-59.0	-20.5
Annual	110.1	31.5	763.7	1,729.2	249.1	-55.8
Realty Transfer	33.1	53.7	497.8	534.0	-38.3	-6.8
Inheritance	80.1	96.4	1,082.0	1,053.6	-16.9	2.7
Gaming	4.7	9.1	143.0	131.7	-47.9	8.6
Minor and Repealed	(0.9)	8.5	(44.3)	(23.0)	-110.9	-92.6
Total Non-Tax Revenue	35.5	(1.0)	664.9	801.6	n.a.	-17.0
State Store Fund Transfers	0.0	0.0	185.1	185.1	0.0	0.0
Lic., Fees & Misc.	42.6	7.0	411.8	543.6	510.0	-24.2
Licenses and Fees	2.6	14.5	133.4	326.8	-82.1	-59.2
Miscellaneous	40.0	(7.5)	278.4	216.7	631.2	28.5
Treasury	4.1	7.4	29.6	72.5	-44.9	-59.2
Escheats	33.8	(14.8)	217.1	81.6	329.1	166.0
Other Miscellaneous	2.2	(0.1)	31.7	62.6	n.a.	-49.3
Fines, Penalties & Interest	(7.2)	(8.0)	68.0	72.9	10.6	-6.8

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