

# Monthly Revenue Update

December 2021



In August, the Independent Fiscal Office (IFO) released monthly revenue projections for fiscal year (FY) 2021-22. General Fund revenues surpassed estimate by \$564.4 million (17.2%) for December and by \$1.76 billion (8.5%) for the fiscal year-to-date (FYTD). The monthly overage was primarily due to higher than expected collections in all three of the largest revenue sources: corporate net income tax (CNIT), sales and use tax (SUT) and personal income tax (PIT).

Monthly CNIT revenues exceeded the forecast by \$273.7 million (44.4%) due to estimated (+\$241.1 million, 46.5%) and final (+\$32.6 million, 33.4%) payments. FYTD CNIT collections surpass the projection by \$636.6 million (36.8%). The overage is comprised mostly of estimated payments (+\$480.1 million, 38.2%).

December SUT collections of \$1.18 billion were \$136.1 million (13.0%) over estimate, almost entirely driven by strength in non-motor vehicle sales (+\$125.3 million, 13.6%). Monthly motor vehicle SUT revenues came in higher than anticipated at \$138.7 million (+\$10.9 million, 8.5%). SUT collections exceed the FYTD estimate by \$486.9 million (7.5%) due primarily to non-motor vehicle collections (+\$418.3 million, 7.5%).

PIT collections for the month were \$1.31 billion, \$90.6 million (7.4%) over estimate. The monthly overage was largely the result of withholding (+\$64.7 million, 5.9%) payments. FYTD PIT collections of \$6.87 billion are \$316.1 million (4.8%) more than expected due to withholding (+\$178.3 million, 3.2%), quarterly (+\$100.0 million, 13.7%) and annual (+\$37.8 million, 15.3%) payments. After adjusting for one-time transfers, withholding revenues grew 6.7% fiscal year-to-date.

Other tax revenues for December were \$423.2 million, \$58.7 million (16.1%) higher than estimated. The overage was predominately due to higher than expected inheritance (+\$38.6 million) and realty transfer (+\$25.1 million) tax revenues. The monthly excess was partially offset by lower than anticipated cigarette tax collections (-\$15.9 million). FYTD other tax revenues are \$2.25 billion, or \$252.8 million (12.6%) more than projected due to inheritance (+\$135.1 million, 21.8%), realty transfer (+\$38.1 million, 10.4%), gaming (+\$27.0 million, 21.2%) and minor and repealed (+\$16.0 million, 201.2%) tax revenues.

December non-tax revenues of \$39.0 million exceeded projections by \$5.2 million (15.5%). Escheats and treasury collections were above expectations (+\$2.2 million and +\$1.3 million, respectively) and were offset in part by a small shortfall in fines, penalties and interest collections. FYTD non-tax revenues exceed estimate by \$68.2 million (1.7%) due to escheats (+\$29.6 million), other miscellaneous (+\$27.2 million) and licenses and fees (+\$10.7 million) collections.

## FY 2021-22 Revenue Performance Through December

|                       | December Collections |                  |                | Fiscal Year Collections |                   |                  |
|-----------------------|----------------------|------------------|----------------|-------------------------|-------------------|------------------|
|                       | Actual               | Estimate         | \$ Diff        | Actual                  | Estimate          | \$ Diff          |
| <b>General Fund</b>   | <b>\$3,846.0</b>     | <b>\$3,281.6</b> | <b>\$564.4</b> | <b>\$22,559.2</b>       | <b>\$20,798.5</b> | <b>\$1,760.7</b> |
| Corporate Net Income  | 889.6                | 615.9            | 273.7          | 2,368.5                 | 1,731.9           | 636.6            |
| SUT - Non-Motor       | 1,045.0              | 919.7            | 125.3          | 6,030.7                 | 5,612.4           | 418.3            |
| SUT - Motor Vehicle   | 138.7                | 127.8            | 10.9           | 924.1                   | 855.5             | 68.6             |
| PIT - Withholding     | 1,165.3              | 1,100.6          | 64.7           | 5,753.2                 | 5,574.9           | 178.3            |
| PIT - Non-Withholding | 145.2                | 119.3            | 25.9           | 1,116.6                 | 978.8             | 137.8            |
| Cigarette             | 86.5                 | 102.4            | -15.9          | 519.1                   | 521.9             | -2.8             |
| Inheritance           | 143.2                | 104.6            | 38.6           | 755.1                   | 620.0             | 135.1            |
| Other Taxes           | 193.5                | 157.5            | 36.0           | 977.7                   | 857.3             | 120.4            |
| Non-Tax               | 39.0                 | 33.8             | 5.2            | 4,114.0                 | 4,045.8           | 68.2             |

Dollar amounts in millions. Estimate refers to the IFO official estimate published in August 2021.

## GENERAL FUND REVENUES SUMMARY

| Revenue Source                 | Dec<br>2021    | Dec<br>2020    | FYTD<br>2021-22 | FYTD<br>2020-21 | Monthly<br>Growth | FYTD<br>Growth |
|--------------------------------|----------------|----------------|-----------------|-----------------|-------------------|----------------|
| Total General Fund             | \$3,846.0      | \$3,683.7      | \$22,559.2      | \$18,529.2      | 4.4%              | 21.7%          |
| Total Tax Revenue              | 3,806.9        | 3,308.2        | 18,445.1        | 17,863.9        | 15.1              | 3.3            |
| Total Corporation Taxes        | 913.4          | 771.3          | 2,460.3         | 2,175.9         | 18.4              | 13.1           |
| Accelerated Deposits           | 10.9           | 2.3            | 7.8             | 3.8             | n.a.              | n.a.           |
| Corporate Net Income           | 889.6          | 760.9          | 2,368.5         | 2,138.3         | 16.9              | 10.8           |
| Gross Receipts                 | 4.2            | 3.8            | 32.9            | 15.4            | 12.3              | 114.3          |
| Utility Property               | 0.0            | 0.3            | 1.9             | 2.5             | -99.2             | -21.4          |
| Insurance Premium              | 0.2            | 0.2            | 20.6            | 1.6             | -7.1              | n.a.           |
| Financial Institution          | 8.5            | 3.9            | 28.4            | 14.4            | 119.9             | 97.6           |
| <b>Total Consumption Taxes</b> | <b>1,337.0</b> | <b>1,174.3</b> | <b>7,791.9</b>  | <b>7,245.4</b>  | <b>13.9</b>       | <b>7.5</b>     |
| Sales and Use - Total          | 1,183.6        | 1,023.1        | 6,954.8         | 6,379.3         | 15.7              | 9.0            |
| Non-Motor                      | 1,045.0        | 895.8          | 6,030.7         | 5,454.0         | 16.6              | 10.6           |
| Motor Vehicle                  | 138.7          | 127.2          | 924.1           | 925.4           | 9.0               | -0.1           |
| Cigarette                      | 86.5           | 94.4           | 519.1           | 572.1           | -8.3              | -9.3           |
| Other Tobacco Products         | 12.7           | 10.6           | 75.5            | 66.9            | 18.9              | 12.9           |
| Malt Beverage                  | 1.9            | 1.8            | 11.5            | 12.3            | 6.4               | -6.6           |
| Liquor                         | 52.3           | 44.5           | 231.0           | 214.8           | 17.7              | 7.5            |
| <b>Total Other Taxes</b>       | <b>1,556.5</b> | <b>1,362.5</b> | <b>8,192.9</b>  | <b>8,442.5</b>  | <b>14.2</b>       | <b>-3.0</b>    |
| Personal Income - Total        | 1,310.5        | 1,159.5        | 6,869.8         | 7,389.7         | 13.0              | -7.0           |
| Withholding                    | 1,165.3        | 1,046.1        | 5,753.2         | 5,145.5         | 11.4              | 11.8           |
| Quarterly                      | 108.7          | 85.6           | 830.8           | 1,079.8         | 27.1              | -23.1          |
| Annual                         | 36.5           | 27.9           | 285.8           | 1,164.4         | 30.6              | -75.5          |
| Realty Transfer                | 91.6           | 68.6           | 403.1           | 316.9           | 33.5              | 27.2           |
| Inheritance                    | 143.2          | 104.8          | 755.1           | 605.0           | 36.6              | 24.8           |
| Gaming                         | 25.3           | 21.0           | 154.2           | 107.3           | 20.2              | 43.7           |
| Minor and Repealed             | (14.1)         | 8.5            | 10.7            | 23.6            | -265.7            | -54.8          |
| <b>Total Non-Tax Revenue</b>   | <b>39.0</b>    | <b>375.6</b>   | <b>4,114.0</b>  | <b>665.3</b>    | <b>-89.6</b>      | <b>518.4</b>   |
| State Store Fund Transfers     | 0.0            | 0.0            | 100.0           | 100.0           | n.a.              | n.a.           |
| Lic., Fees & Misc.             | 33.2           | 370.1          | 3,974.7         | 527.2           | -91.0             | 653.9          |
| Licenses and Fees              | 26.9           | 34.5           | 77.3            | 95.9            | -22.1             | -19.4          |
| Miscellaneous                  | 6.3            | 335.6          | 3,897.5         | 431.3           | -98.1             | 803.7          |
| Treasury                       | 1.6            | 0.2            | 6.7             | 5.4             | 607.1             | 24.0           |
| Escheats                       | (0.9)          | (3.8)          | (0.6)           | (19.3)          | 76.4              | 96.9           |
| Other Miscellaneous            | 5.6            | 339.1          | 3,891.3         | 445.1           | -98.4             | 774.2          |
| Fines, Penalties & Interest    | 5.9            | 5.4            | 39.3            | 38.1            | 7.8               | 3.1            |

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