

Monthly Revenue Update

August 2021



In August, the Independent Fiscal Office (IFO) released its monthly revenue projections for fiscal year (FY) 2021-22. For August, General Fund collections were \$2.57 billion, or \$71.5 million (2.9%) over estimate. The monthly overage was almost entirely due to corporate net income tax (CNIT) and sales and use tax (SUT) collections. Fiscal-year-to-date (FYTD) General Fund collections are \$5.27 billion, which are \$163.1 million (3.2%) above estimate.

August CNIT revenues of \$106.0 million were \$36.8 million (53.2%) higher than anticipated and driven by final payments (+\$24.4 million, 73.8%), with estimated payments (+\$12.3 million, 34.2%) also above projections. FYTD CNIT collections are \$277.4 million, which exceed estimate by \$86.9 million (45.6%) due to final (+\$47.1 million, 56.2%) and estimated (+\$39.7 million, 37.3%) payments.

Monthly SUT collections of \$1.11 billion were \$16.5 million (1.5%) above estimate, due entirely to a \$21.4 million (2.3%) overage in non-motor vehicle collections. Motor vehicle SUT revenues were \$4.9 million (-3.2%) lower than the August estimate. FYTD SUT revenues are \$2.35 billion and surpass the forecast by \$12.6 million (0.5%), led by non-motor vehicle collections (+\$8.0 million, 0.4%).

Personal income tax (PIT) revenues hit estimate at \$978.8 million for the month. A shortfall in quarterly payments (-\$2.6 million, -5.7%) offset an overage in annual (+\$4.3 million, 14.9%) payments, while withholding essentially met estimate in August. FYTD PIT collections of \$1.94 billion are \$14.3 million (0.7%) over estimate due to annual payments (+\$18.1 million, 33.5%).

Other tax revenues were \$361.3 million for August, which were \$14.5 million (4.2%) higher than the forecast. The overage was largely due to cigarette (+\$5.5 million) and minor and repealed (+\$4.8 million) collections but was somewhat offset by shortfalls in gross receipts (-\$2.1 million) and realty transfer (-\$1.2 million) collections. For the FYTD, other taxes total \$665.3 million, which is \$39.4 million (6.3%) above expectations. Gaming (+\$13.3 million), inheritance (+\$12.6 million) and minor and repealed (+\$6.5 million) revenues drive this result.

August non-tax revenues were \$18.3 million, \$0.5 million (2.8%) above estimate, due to overages in fines, penalties and interest (+\$2.4 million) and escheats (+\$1.1 million) collections, which were partially offset by a shortfall in licenses and fees (-\$2.9 million). FYTD non-tax collections exceed estimate by \$10.0 million (27.2%) due to other miscellaneous revenues (+\$15.8 million).

FY 2021-22 Revenue Performance Through August

| | August Collections | | | Fiscal Year Collections | | |
|-----------------------|--------------------|------------------|---------------|-------------------------|------------------|----------------|
| | Actual | Estimate | \$ Diff | Actual | Estimate | \$ Diff |
| General Fund | \$2,574.3 | \$2,502.8 | \$71.5 | \$5,274.5 | \$5,111.4 | \$163.1 |
| Corporate Net Income | 106.0 | 69.2 | 36.8 | 277.4 | 190.5 | 86.9 |
| SUT - Non-Motor | 960.0 | 938.6 | 21.4 | 2,034.5 | 2,026.5 | 8.0 |
| SUT - Motor Vehicle | 149.9 | 154.8 | -4.9 | 312.7 | 308.1 | 4.6 |
| PIT - Withholding | 903.4 | 901.9 | 1.5 | 1,771.0 | 1,774.7 | -3.7 |
| PIT - Non-Withholding | 75.4 | 73.7 | 1.7 | 166.9 | 149.0 | 17.9 |
| Cigarette | 101.0 | 95.5 | 5.5 | 144.3 | 138.3 | 6.0 |
| Inheritance | 110.0 | 109.6 | 0.4 | 227.2 | 214.6 | 12.6 |
| Other Taxes | 150.3 | 141.7 | 8.6 | 293.7 | 273.0 | 20.7 |
| Non-Tax | 18.3 | 17.8 | 0.5 | 46.7 | 36.7 | 10.0 |

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

GENERAL FUND REVENUES SUMMARY

| Revenue Source | Aug 2021 | Aug 2020 | FYTD 2021-22 | FYTD 2020-21 | Monthly Growth | FYTD Growth |
|--------------------------------|------------------|------------------|------------------|------------------|-------------------|----------------|
| Total General Fund | \$2,574.3 | \$2,548.4 | \$5,274.5 | \$6,652.3 | 1.0% | -20.7% |
| Total Tax Revenue | 2,556.0 | 2,527.7 | 5,227.8 | 6,617.6 | 1.1 | -21.0 |
| Total Corporation Taxes | 112.1 | 303.3 | 302.5 | 543.8 | -63.1 | -44.4 |
| Accelerated Deposits | 0.0 | 11.4 | (3.2) | 12.7 | n.a. | n.a. |
| Corporate Net Income | 106.0 | 287.3 | 277.4 | 524.0 | -63.1 | -47.1 |
| Gross Receipts | 1.8 | 3.2 | 4.4 | 4.1 | -44.5 | 6.0 |
| Utility Property | 0.9 | 0.5 | 0.9 | 0.5 | 76.4 | 75.0 |
| Insurance Premium | 0.4 | 0.5 | 19.5 | 0.7 | -10.2 | n.a. |
| Financial Institution | 3.0 | 0.4 | 3.6 | 1.8 | 600.3 | 104.2 |
| Total Consumption Taxes | 1,258.9 | 1,186.9 | 2,590.3 | 2,562.2 | 6.1 | 1.1 |
| Sales and Use - Total | 1,109.9 | 1,030.4 | 2,347.2 | 2,286.1 | 7.7 | 2.7 |
| Non-Motor | 960.0 | 868.9 | 2,034.5 | 1,932.5 | 10.5 | 5.3 |
| Motor Vehicle | 149.9 | 161.5 | 312.7 | 353.6 | -7.2 | -11.6 |
| Cigarette | 101.0 | 111.7 | 144.3 | 185.7 | -9.5 | -22.3 |
| Other Tobacco Products | 12.5 | 10.8 | 25.0 | 21.9 | 15.2 | 14.3 |
| Malt Beverage | 2.0 | 2.1 | 4.1 | 4.2 | -7.5 | -1.7 |
| Liquor | 33.5 | 31.9 | 69.7 | 64.4 | 4.9 | 8.3 |
| Total Other Taxes | 1,185.0 | 1,037.5 | 2,334.9 | 3,511.5 | 14.2 | -33.5 |
| Personal Income - Total | 978.8 | 876.1 | 1,938.0 | 3,188.6 | 11.7 | -39.2 |
| Withholding | 903.4 | 796.4 | 1,771.0 | 1,719.0 | 13.4 | 3.0 |
| Quarterly | 42.4 | 35.4 | 94.8 | 502.0 | 19.8 | -81.1 |
| Annual | 33.0 | 44.3 | 72.1 | 967.6 | -25.6 | -92.5 |
| Realty Transfer | 72.3 | 56.5 | 106.3 | 74.4 | 27.9 | 42.9 |
| Inheritance | 110.0 | 92.1 | 227.2 | 210.4 | 19.4 | 8.0 |
| Gaming | 19.3 | 13.8 | 46.0 | 26.4 | 40.4 | 74.5 |
| Minor and Repealed | 4.7 | (0.9) | 17.4 | 11.7 | 597.6 | 48.5 |
| Total Non-Tax Revenue | 18.3 | 20.6 | 46.7 | 34.8 | -11.4 | 34.2 |
| State Store Fund Transfers | 0.0 | 0.0 | 0.0 | 0.0 | n.a. | n.a. |
| Lic., Fees & Misc. | 9.2 | 14.9 | 31.7 | 24.7 | -37.9 | 28.5 |
| Licenses and Fees | 7.4 | 17.4 | 17.6 | 32.8 | -57.3 | -46.3 |
| Miscellaneous | 1.8 | (2.6) | 14.1 | (8.1) | 170.0 | 273.7 |
| Treasury | 1.6 | 1.0 | 2.1 | 2.1 | 50.1 | -1.9 |
| Escheats | (5.1) | (5.9) | (13.1) | (14.3) | 13.3 | 8.6 |
| Other Miscellaneous | 5.3 | 2.3 | 25.1 | 4.1 | 133.8 | 515.6 |
| Fines, Penalties & Interest | 9.1 | 5.8 | 15.0 | 10.1 | 56.8 | 48.3 |

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