

Monthly Revenue Update

December 2022



The Independent Fiscal Office (IFO) released monthly revenue projections for fiscal year (FY) 2022-23 at the beginning of September. General Fund collections for December were \$429.8 million (11.9%) above the IFO's official estimate, and are \$1.16 billion (6.3%) above estimate for the fiscal-year-to-date (FYTD). (The IFO monthly estimate was \$109.9 million lower than the estimate certified by the Governor.) The implementation of the Department of Revenue's tax modernization project resulted in the shift of roughly \$200 million of revenue that would normally have been receipted in November to December (\$184 million was withholding).

December personal income tax (PIT) collections of \$1.43 billion exceeded the estimate by \$206.3 million (16.8%). The overage in withholding (\$154.0 million, 14.2%) revenue was due entirely to the shift of revenue from November to December. Without the delay, withholding revenues were \$30.0 million short of the estimate. Quarterly (+\$33.2 million, 30.2%) and annual payments (+\$19.2 million, 62.8%) also exceeded the monthly forecast. FYTD PIT collections total \$7.47 billion, which are \$257.6 million (3.6%) above expectations.

Corporate net income tax (CNIT) revenues for December came in at \$994.6 million, which surpassed the monthly estimate by \$139.6 million (16.3%), primarily due to an overage in estimated payments (+\$129.7 million, 18.0%). FYTD CNIT collections are \$2.66 billion, and are \$335.7 million (14.4%) above the forecast due to estimated (+\$253.0 million, 15.0%) and final (+\$82.7 million, 12.9%) payments.

Monthly sales and use tax (SUT) collections of \$1.18 billion were \$68.7 million (6.2%) over estimate due entirely to non-motor vehicle revenues (+\$77.3 million, 7.8%). Motor vehicle revenues were \$8.6 million (-7.8%) lower than projected. FYTD SUT collections are \$7.13 billion, which are \$491.7 million (7.4%) above the forecast due to non-motor vehicle (+\$491.5 million, 8.3%) revenues.

Other tax revenues were \$382.1 million for December which were \$7.3 million (1.9%) below estimate. The result is driven by shortfalls in realty transfer (-\$20.3 million) and cigarette (-\$13.9 million), which were partially offset by an overage in inheritance (\$19.7 million) tax revenues. FYTD other tax revenues are \$2.10 billion, \$48.4 million (-2.3%) below projections. The FYTD shortfall is due to cigarette (-\$51.4 million) and realty transfer (-\$34.1 million), and is partially offset by an overage in inheritance tax collections (\$42.3 million).

Non-tax collections for December were \$55.5 million, which exceeded the forecast by \$22.5 million (68.1%), due to an overage in treasury (+\$33.9 million) collections. FYTD non-tax revenues are \$346.7 million, \$125.0 million (56.4%) above projections due to stronger than expected treasury collections (+\$152.6 million), and are partially offset by lower than anticipated escheat collections (-\$43.3 million). Treasury collections for the fiscal year exceed estimate due to unusually high General Fund balances and rising interest rates.

FY 2022-23 Revenue Performance Through December

	December Collections			Fiscal Year Collections		
	Actual	Estimate	\$ Diff	Actual	Estimate	\$ Diff
General Fund	\$4,041.8	\$3,612.0	\$429.8	\$19,699.3	\$18,537.7	\$1,161.6
Corporate Net Income	994.6	855.0	139.6	2,660.7	2,325.0	335.7
SUT - Non-Motor	1,074.6	997.3	77.3	6,437.8	5,946.3	491.5
SUT - Motor Vehicle	101.8	110.4	-8.6	688.5	688.3	0.2
PIT - Withholding	1,240.4	1,086.4	154.0	6,068.1	6,145.1	-77.0
PIT - Non-Withholding	192.8	140.5	52.3	1,402.2	1,067.5	334.7
Cigarette	81.3	95.2	-13.9	452.3	503.7	-51.4
Inheritance	138.0	118.3	19.7	725.7	683.4	42.3
Other Taxes	162.7	175.9	-13.2	917.4	956.7	-39.3
Non-Tax	55.5	33.0	22.5	346.7	221.7	125.0

Dollar amounts in millions. Estimate refers to the IFO official estimate published on September 1, 2022.

GENERAL FUND REVENUES SUMMARY

Revenue Source	Dec 2022	Dec 2021	FYTD 2022-23	FYTD 2021-22	Monthly Growth	FYTD Growth
Total General Fund	\$4,041.8	\$3,846.0	\$19,699.3	\$22,559.2	5.1%	-12.7%
Total Tax Revenue	3,986.4	3,806.9	19,352.6	18,445.1	4.7	4.9
Total Corporation Taxes	1,008.7	913.4	2,738.9	2,460.3	10.4	11.3
Accelerated Deposits	(0.0)	10.9	(3.4)	7.8	n.a.	n.a.
Corporate Net Income	994.6	889.6	2,660.7	2,368.5	11.8	12.3
Gross Receipts	5.4	4.2	30.0	32.9	27.4	-9.1
Utility Property	0.0	0.0	3.3	1.9	354.8	69.8
Insurance Premium	0.7	0.2	26.5	20.6	303.6	28.8
Financial Institution	8.0	8.5	21.8	28.4	-5.4	-23.2
Total Consumption Taxes	1,326.6	1,337.0	7,903.8	7,791.9	-0.8	1.4
Sales and Use - Total	1,176.4	1,183.6	7,126.3	6,954.8	-0.6	2.5
Non-Motor	1,074.6	1,045.0	6,437.8	6,030.7	2.8	6.8
Motor Vehicle	101.8	138.7	688.5	924.1	-26.6	-25.5
Cigarette	81.3	86.5	452.3	519.1	-6.0	-12.9
Other Tobacco Products	12.9	12.7	76.8	75.5	2.3	1.7
Malt Beverage	1.7	1.9	11.7	11.5	-7.2	2.2
Liquor	54.2	52.3	236.7	231.0	3.5	2.5
Total Other Taxes	1,651.0	1,556.5	8,709.9	8,192.9	6.1	6.3
Personal Income - Total	1,433.2	1,310.5	7,470.2	6,869.8	9.4	8.7
Withholding	1,240.4	1,165.3	6,068.1	5,753.2	6.4	5.5
Quarterly	143.2	108.7	999.5	830.8	31.7	20.3
Annual	49.7	36.5	402.7	285.8	36.2	40.9
Realty Transfer	55.8	91.6	351.9	403.1	-39.1	-12.7
Inheritance	138.0	143.2	725.7	755.1	-3.6	-3.9
Gaming	33.0	25.3	178.4	154.2	30.6	15.7
Minor and Repealed	(9.0)	(14.1)	(16.3)	10.7	36.0	-252.9
Total Non-Tax Revenue	55.5	39.0	346.7	4,114.0	42.0	-91.6
State Store Fund Transfers	0.0	0.0	100.0	100.0	n.a.	n.a.
Licenses, Fees & Misc.	50.5	33.2	210.9	3,974.7	52.1	-94.7
Licenses and Fees	37.5	26.9	76.9	77.3	39.5	-0.4
Miscellaneous	12.9	6.3	134.0	3,897.5	106.1	-96.6
Treasury	34.5	1.6	161.3	6.7	n.a.	n.a.
Escheats	(21.6)	(0.9)	(71.2)	(0.6)	n.a.	n.a.
Other Miscellaneous	0.1	5.6	43.9	3,891.3	-98.9	-98.9
Fines, Penalties & Interest	5.0	5.9	35.8	39.3	-14.9	-9.0

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