

Monthly Revenue Update

October 2023



In June 2023, the Independent Fiscal Office (IFO) released revenue projections for fiscal year (FY) 2023-24. General Fund collections for October were \$3.25 billion, \$116.7 million (+3.7%) above the IFO’s official estimate, driven by overages in corporate net income tax (CNIT), personal income tax (PIT) and inheritance tax, which were partially offset by shortfalls in escheats. (The IFO October estimate was \$3.2 million higher than the estimate certified by the Governor.)

October revenues increased \$121.4 million (+3.9%) over the prior year (see next page) and the tax revenue growth rate was 3.4%. Fiscal year-to-date (FYTD) revenues of \$13.08 billion are \$18.6 million (0.1%) higher than anticipated. Revenue highlights for the major tax types include:

- **CNIT revenues** totaled \$215.2 million in October, \$45.2 million (+26.6%) above estimate. Final payments (generally for tax year 2022) were \$42.0 million (+42.0%) above estimate and increased 37.3% from October 2022. Estimated payments exceeded the estimate by \$3.2 million (+4.6%) for the month.
- **PIT collections** were \$1.31 billion, or \$32.8 million (+2.6%) above estimate for the month. That result was largely driven by annual payments (primarily extension payments for tax year 2022), which were \$21.7 million above estimate, but 17.1% below the prior year. Withholding collections exceeded the estimate by \$11.2 million (+1.1%) and quarterly payments essentially met estimate for the month. FYTD PIT collections are \$59.8 million (-1.2%) below estimate due primarily to a shortfall in quarterly payments (-\$112.4 million, -14.3%) that is partially offset by an overage in annual payments (+\$55.2 million, +\$22.7%).
- Monthly **sales and use tax (SUT) collections** were \$1.28 billion, \$7.5 million (-0.6%) below estimate, due to non-motor vehicle collections, which fell short of the estimate by \$8.3 million (-0.7%). Motor vehicle collections of \$124.2 million exceeded estimate by \$0.8 million (+0.6%). FYTD SUT collections are \$18.4 million (+0.4%) above estimate.

Other tax and non-tax revenues of \$449.3 million for October were over estimate by \$46.3 million (+11.5%).

- Inheritance tax collections of \$171.1 million were \$50.6 million (+42.0%) higher than projected. This was primarily due to a single large deposit day mid-month.
- Treasury collections of \$59.6 million outperformed expectations by \$23.7 million (+66.0%).
- Escheats collections fell short of estimate by \$20.1 million (-261.5%).

FY 2023-24 Revenue Performance Through October

	October Collections			FY Collections		
	<u>Actual</u>	<u>Estimate</u>	<u>\$ Diff</u>	<u>Actual</u>	<u>Estimate</u>	<u>\$ Diff</u>
General Fund	\$3,246.3	\$3,129.6	\$116.7	\$13,083.9	\$13,065.3	\$18.6
Corporate Net Income	215.2	170.0	45.2	1,509.1	1,480.0	29.1
SUT - Non-Motor	1,151.8	1,160.1	-8.3	4,409.6	4,372.8	36.8
SUT - Motor Vehicle	124.2	123.4	0.8	476.8	495.2	-18.4
PIT - Withholding	1,055.3	1,044.1	11.2	4,105.1	4,107.7	-2.6
PIT - Non-Withholding	250.6	229.0	21.6	970.6	1,027.8	-57.2
Cigarette	77.1	77.5	-0.4	253.2	277.5	-24.3
Inheritance	171.1	120.5	50.6	537.9	484.4	53.5
Other Taxes	137.7	147.4	-9.7	495.7	572.6	-76.9
Non-Tax	63.4	57.6	5.8	325.9	247.3	78.6

Note: Dollar amounts in millions. Estimate refers to the IFO official estimate published on June 20, 2023.

GENERAL FUND REVENUES SUMMARY

Revenue Source	Oct 2023	Oct 2022	FYTD 2023-24	FYTD 2022-23	Monthly Growth	FYTD Growth
Total General Fund	\$3,246.3	\$3,124.9	\$13,083.9	\$12,904.0	3.9%	1.4%
Total Tax Revenue	3,182.9	3,079.6	12,758.0	12,748.8	3.4	0.1
Total Corporation Taxes	228.5	183.3	1,555.0	1,552.3	24.6	0.2
Corporate Net Income	215.2	176.4	1,509.1	1,491.5	22.0	1.2
Gross Receipts	1.1	5.8	17.9	19.4	-81.1	-7.5
Utility Property	0.0	0.4	2.2	3.3	-91.5	-33.5
Insurance Premium	5.5	0.3	6.2	25.8	n.a.	-75.8
Financial Institution	6.7	0.5	19.6	12.3	n.a.	59.4
Total Consumption Taxes	1,403.1	1,398.9	5,338.5	5,321.5	0.3	0.3
Sales and Use - Total	1,276.0	1,265.6	4,886.4	4,830.1	0.8	1.2
Non-Motor	1,151.8	1,145.2	4,409.6	4,346.1	0.6	1.5
Motor Vehicle	124.2	120.4	476.8	484.0	3.2	-1.5
Cigarette	77.1	80.9	253.2	289.1	-4.7	-12.4
Other Tobacco Products	11.9	13.0	49.3	51.2	-8.6	-3.7
Malt Beverage	1.6	2.0	7.3	8.1	-16.9	-10.4
Liquor	36.5	37.5	142.2	143.0	-2.8	-0.6
Total Other Taxes	1,551.4	1,497.3	5,864.5	5,874.9	3.6	-0.2
Personal Income - Total	1,305.9	1,286.2	5,075.7	5,042.9	1.5	0.6
Withholding	1,055.3	991.4	4,105.1	3,897.0	6.4	5.3
Quarterly	84.8	94.9	672.7	829.3	-10.6	-18.9
Annual	165.7	200.0	297.9	316.7	-17.1	-5.9
Realty Transfer	52.1	64.3	159.8	250.0	-19.0	-36.1
Inheritance	171.1	123.3	537.9	478.4	38.7	12.4
Gaming	33.8	28.4	105.6	110.4	18.9	-4.3
Minor and Repealed	(11.5)	(5.0)	(14.5)	(6.8)	-129.3	-113.5
Total Non-Tax Revenue	63.4	45.4	325.9	155.2	39.8	110.0
State Store Fund Transfers	0.0	0.0	0.0	0.0	n.a.	n.a.
Lic., Fees & Misc.	57.2	39.6	300.1	131.2	44.5	128.7
Licenses and Fees	8.2	5.6	40.0	30.5	46.9	30.9
Miscellaneous	49.0	34.0	260.1	100.7	44.0	158.4
Treasury	59.6	29.2	260.9	96.9	104.3	169.3
Escheats	(12.4)	1.4	(32.0)	(32.7)	-960.5	2.1
Other Miscellaneous	1.9	3.4	31.3	36.5	-45.6	-14.3
Fines, Penalties & Interest	6.2	5.8	25.8	24.0	7.5	7.4

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