

## General Fund Revenue Update

### Like March, April Revenue less than expected

April revenues continued a new trend: falling short of estimate. While tax revenues on the whole were positive, timing issues in non-tax revenue continued to be a source of movement downwards, forcing April to come in \$57.6 million short of expectations. Year-to-date, General Fund revenues are \$164.1 million higher than expected. However, additional timing issues will negatively affect revenues during the balance of the year, so we caution against projecting any revenue overage for 2017/18.

Looking ahead, May revenues are particularly important because final corporate net income tax payments are due. Federal tax law changes and state court decisions this year created a degree of uncertainty about how these final payments will pan out.

Also, on May 1, the Independent Fiscal Office issued its preliminary revenue estimate for 2018/19 and its updated estimate for the current fiscal year. The IFO projected the General Fund will finish \$203 million lower than the official estimate. While that estimate is \$251 million less than the 2017/18 assumption in the executive budget, its forecast for the upcoming 2018/19 fiscal year is very close to the executive budget's base revenue estimate – just a \$28 million difference.

#### For April:

- Total General Fund collections were \$57.6 million lower than expected (1.5 percent)
- General Fund tax revenues were \$33.3 million higher than anticipated (0.9 percent)
- Corporation taxes were \$8.3 million above estimate (2.7 percent)
- Sales and use tax collections finished higher than expected by \$34.9 million (4.1 percent)
  - ◇ Non-motor collections were \$25.5 million higher than projected (3.4 percent)
  - ◇ Motor vehicle collections were \$9.4 million above estimate (8.0 percent)
- Personal income tax collections were \$8.9 million higher than expected (0.4 percent)
  - ◇ Employer withholdings on wages and salaries were \$7.4 million more than anticipated (0.9 percent)
  - ◇ Non-withheld collections finished above estimate by \$1.5 million (0.1 percent). Final annual payments from taxpayers filing their returns were \$3.6 million below estimate, or 0.4 percent.
- Non-tax revenues were \$90.9 million less than anticipated (31.3 percent)
  - ◇ Because part of the liquor store profits transferred to the General Fund ahead of schedule in February, April's revenues reflected that timing change and were \$85.1 million lower.
  - ◇ Licenses and fees were \$28.5 million lower than expected, largely due to i-gaming license fees that were not deposited. Gaming expansion licensure is moving forward, but not on the timetable initially assumed by the official estimate.
  - ◇ Escheats revenue tied to the unclaimed property program administered by Treasury finished \$22.0 million more than projected.

**For the fiscal year to date:**

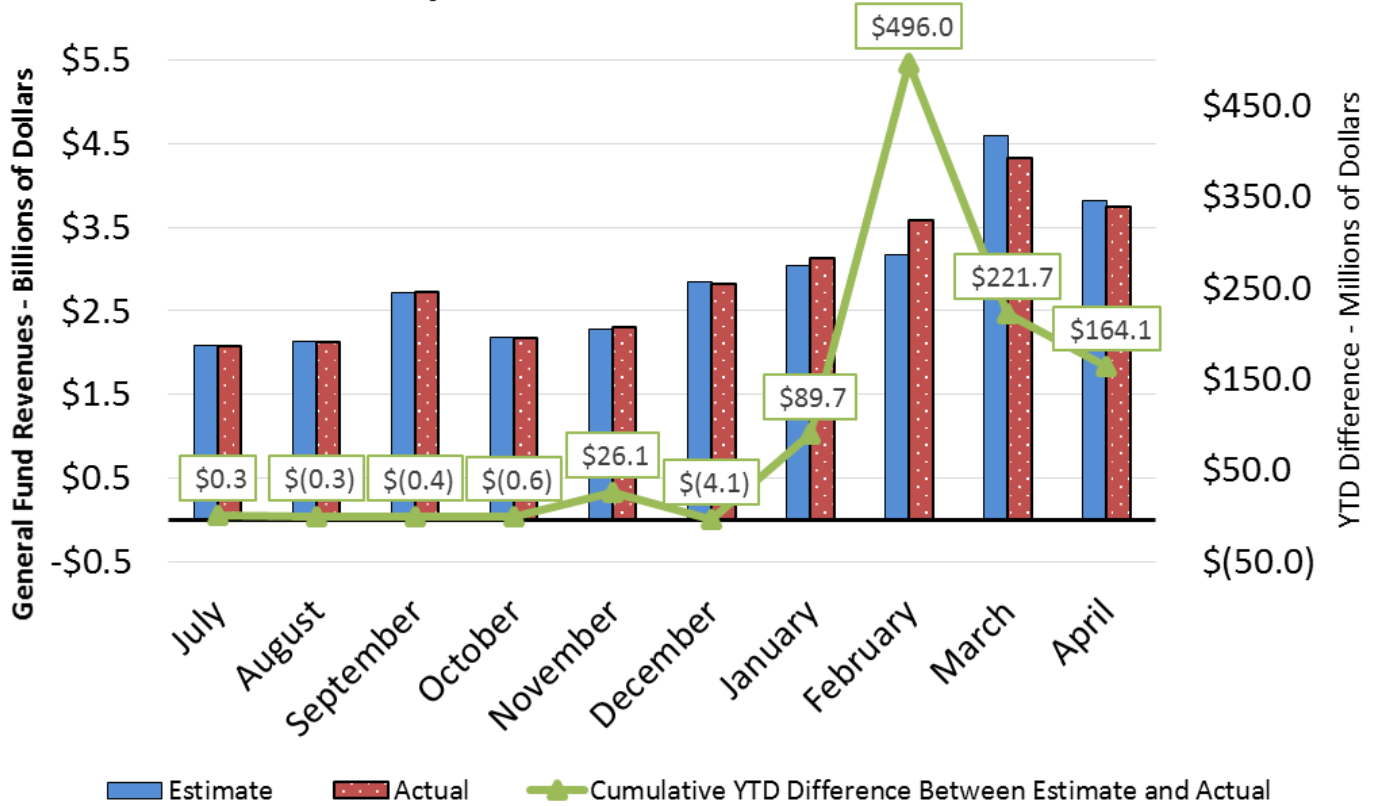
- Cumulative General Fund revenues are \$164.1 million higher than expected (0.6 percent)
- General Fund tax revenue is \$47.8 million lower than projected (0.2 percent)
- Corporation taxes are \$143.6 million below the official estimate (3.4 percent)
- Sales and use taxes are \$21.5 million higher than expected (0.3 percent)
- Personal income tax collections are \$124.0 million more than anticipated (1.1 percent)
- Non-tax revenues are \$211.9 million above the estimate (9.4 percent)

**Compared to year-to-date collections during the last fiscal year:**

- Total General Fund revenues are 12.4 percent higher (in large part due to non-tax revenues)
- General Fund tax revenue is 5.2 percent higher
- Corporation taxes are 3.6 percent higher
- Sales and use taxes have increased by 4.3 percent
- Personal income tax collections are 7.4 percent higher

General Fund Revenues - Year-to-Date Performance vs Official Estimate				
	<i>Amount in Millions</i>	YTD Estimate	YTD Collections	Difference
General Fund Total		28,863.0	29,027.1	164.1
Tax Revenue Total		26,619.4	26,571.6	(47.8)
Corporation Taxes		4,187.0	4,043.4	(143.6)
Consumption Taxes		9,981.0	9,945.9	(35.1)
Sales and Use Tax		8,518.9	8,540.4	21.5
Cigarette Tax		1,025.1	978.9	(46.2)
Other Tobacco Products		99.7	97.8	(1.9)
Malt Beverage Tax		20.1	19.9	(0.2)
Liquor Tax		317.2	308.9	(8.3)
Other Taxes		12,451.4	12,582.3	130.9
Personal Income Tax		11,183.5	11,307.5	124.0
Realty Transfer Tax		408.2	416.6	8.4
Inheritance Tax		821.9	818.9	(3.0)
Table Games		100.6	101.8	1.2
Minor and Repealed		(62.8)	(62.5)	0.3
Non-Tax Revenue		2,243.6	2,455.5	211.9

## 2017/18 General Fund Revenue Performance



### House Appropriations Committee (D)

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