



## General Fund Revenue Update

June

2017/18 in the books

While the General Assembly passed the 2018/19 budget early, the 2017/18 fiscal year came to a close over the weekend. During June, General Fund revenues were under estimate, finishing \$258.7 million less than the official estimate, or 7.7 percent. For the full fiscal year, the General Fund finished \$137.2 million less than projected, 0.4 percent.

The General Fund received \$34.57 billion in revenues during the fiscal year, before tax refunds. Tax revenues for 2017/18 were \$129.9 million less than the official estimate, or 0.4 percent. The three largest tax types –personal income, sales, and corporate net income – were mixed compared to the official estimate:

- The PIT surpassed projections by \$94.2 million (0.7 percent), with employer withholdings on wages and salaries almost exactly on target at \$7.4 million above estimate (0.1 percent)
- Sales tax revenues also modestly exceeded expectations by \$40.5 million, (0.4 percent)
- However, the corporate net income tax fell short by \$239.7 million, or 7.7 percent. A portion of this shortfall is likely because taxpayers shifted some liabilities to tax year 2018 to take advantage of lower corporate tax rates at the federal level following federal tax law changes.

Non-tax revenues for the entire fiscal year totaled \$2.56 billion, an exceptionally large amount due to the tobacco settlement borrowing, fund transfers and gaming fees used to balance the 2017/18 budget. Non-tax revenues for the year were \$7.3 million less than the official estimate, or 0.3 percent.

### For June:

- Total General Fund collections were \$258.7 million lower than expected (7.7 percent)
- General Fund tax revenues were \$103.1 million lower than anticipated (3.3 percent)
- Corporation taxes were \$49.7 million below estimate (8.1 percent)
- Sales and use tax collections finished higher than expected by \$11.9 million (1.3 percent)
  - Non-motor collections were \$15.6 million higher than projected (1.9 percent)
  - Motor vehicle collections were \$3.7 million below estimate (2.9 percent)
- Personal income tax collections were \$37.3 million lower than expected (3.2 percent)
  - Employer withholdings on wages and salaries were \$21.1 million less than anticipated (2.7 percent)
  - Non-withheld collections finished below estimate by \$16.2 million (4.2 percent)
- Non-tax revenues were \$155.6 million less than anticipated (61.9 percent)

### For the fiscal year in total:

- Cumulative General Fund revenues are \$137.2 million lower than expected (0.4 percent)

- General Fund tax revenue is \$129.9 million lower than projected (0.4 percent)
- Corporation taxes are \$220.3 million below the official estimate (4.3 percent)
- Sales and use taxes are \$40.5 million higher than expected (0.4 percent)
- Personal income tax collections are \$94.2 million more than anticipated (0.7 percent)
- Non-tax revenues are \$7.3 million below the estimate (0.3 percent)

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

- Total General Fund revenues are 9.2 percent higher (in large part due to non-tax revenues)
- General Fund tax revenue is 4.1 percent higher
- Corporation taxes are 2.3 percent higher
- Sales and use taxes have increased by 3.8 percent
- Personal income tax collections are 5.8 percent higher

General Fund Revenues - Year-to-Date Performance vs Official Estimate				
	Amount in Millions	YTD Estimate	YTD Collections	Difference
General Fund Total		34,704.1	34,566.9	(137.2)
Tax Revenue Total		32,133.3	32,003.4	(129.9)
Corporation Taxes		5,109.0	4,888.7	(220.3)
Consumption Taxes		12,117.2	12,094.4	(22.8)
Sales and Use Tax		10,340.9	10,381.4	40.5
Cigarette Tax		1,250.6	1,198.3	(52.3)
Other Tobacco Products		121.6	119.1	(2.5)
Malt Beverage Tax		24.5	24.1	(0.4)
Liquor Tax		379.6	371.5	(8.1)
Other Taxes		14,907.1	15,020.3	113.2
Personal Income Tax		13,304.8	13,399.0	94.2
Realty Transfer Tax		514.1	514.4	0.3
Inheritance Tax		1,017.0	1,019.3	2.3
Table Games and Other Gaming		123.1	123.1	(0.0)
Minor and Repealed		(51.9)	(35.4)	16.5
Non-Tax Revenue		2,570.8	2,563.5	(7.3)

