



February 3, 2020

To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS July 2019 through January 2020, FY 2020

This is the third month of experience under the revised estimate of SGF receipts in FY 2020 made by the Consensus Estimating Group on November 7, 2019. The figures in both the “Estimate” and “Actual” columns under FY 2020 on the following table include actual amounts received in July through October. Consequently, this report details the difference between estimated and actual receipts in November through January.

Total receipts through January FY 2020 were \$116.9 million, or 2.8 percent, above the estimate. The component of SGF receipts from taxes only was \$110.6 million, or 2.6 percent, above the estimate. Total SGF receipts from taxes only, at the end of December, had been \$50.9 million, or 1.4 percent, above the estimate; while total receipts had been \$53.9 million, or 1.5 percent above the estimate.

Tax sources exceeding the estimate by more than \$1.0 million include: individual income (\$51.1 million or 2.5 percent), corporation income (\$24.4 million or 9.9 percent), retail sales (\$16.2 million or 1.1 percent), compensating use (\$8.9 million or 3.2 percent), insurance premium tax (\$4.7 million or 7.0 percent), and cigarette (\$2.4 million or 3.6 percent).

No tax sources fell below the estimate by more than \$1.0 million.

As noted in this report last month, individual income tax estimated payments are important to monitor during January. Such payments were 19.6 percent higher (\$23.1 million) in January 2020 than they were last January. Withholding growth at 10.5 percent also remained strong over the previous January’s amount.

Corporation income taxes, which had been \$21.1 million ahead of the previous estimate through December due largely to strong corporate estimated payments during that month, gained an additional \$3.3 million in January.

Additional growth in sales and use tax receipts during January reflects stronger consumer spending over the Holiday season than had been anticipated as well as increasing compliance by out-of-state retailers with the state’s use tax law in the wake of a 2018 decision by the U.S. Supreme Court.

Interest earnings were above the estimate by \$0.3 million, or 0.9 percent. Agency earnings also were above the estimate by \$4.8 million, or 19.0 percent. Transfers also were above the estimate at \$1.1 million, or 1.5 percent.

Total SGF receipts through January of FY 2020 were \$264.6 million, or 6.6 percent, above FY 2019 receipts for the same period. Tax receipts only for the same period were above FY 2019 by \$272.5 million, or 6.8 percent.

This report excludes a deposit to the SGF of \$275.0 million, pursuant to issuance of a Certificate of Indebtedness. This Certificate will be discharged prior to the end of the fiscal year.

STATE GENERAL FUND RECEIPTS
July-January, FY 2020
(Dollars in Thousands)

	Actual	FY 2020		Percent change relative to:		
	FY 2019	Estimate*	Actual	Difference	FY 2019	Estimate
Property Tax/Fee:						
Motor Carriers	\$ 6,675	\$ 7,100	\$ 7,279	\$ 179	9.0 %	2.5 %
Income Taxes:						
Individual	\$ 1,916,110	\$ 2,016,900	\$ 2,067,975	\$ 51,075	7.9 %	2.5 %
Corporation	225,308	245,300	269,699	24,399	19.7	9.9
Financial Inst.	18,984	19,210	19,925	715	5.0	3.7
<i>Total</i>	<u>\$ 2,160,402</u>	<u>\$ 2,281,410</u>	<u>\$ 2,357,598</u>	<u>\$ 76,188</u>	<u>9.1 %</u>	<u>3.3 %</u>
Excise Taxes:						
Retail Sales	\$ 1,389,324	\$ 1,418,100	\$ 1,434,338	\$ 16,238	3.2 %	1.1 %
Compensating Use	253,404	274,000	282,895	8,895	11.6	3.2
Cigarette	71,278	66,900	69,310	2,410	(2.8)	3.6
Tobacco Products	5,257	5,300	5,366	66	2.1	1.2
Liquor Gallonage	13,098	12,800	12,815	15	(2.2)	0.1
Liquor Enforcement	44,430	43,700	44,315	615	(0.3)	1.4
Liquor Drink	7,045	7,300	7,410	110	5.2	1.5
Severance	23,502	9,000	9,894	894	(57.9)	9.9
Gas	4,585	(900)	(998)	(98)	(121.8)	(10.9)
Oil	18,917	9,900	10,892	992	(42.4)	10.0
<i>Total</i>	<u>\$ 1,807,338</u>	<u>\$ 1,837,100</u>	<u>\$ 1,866,343</u>	<u>\$ 29,243</u>	<u>3.3 %</u>	<u>1.6 %</u>
Other Taxes:						
Insurance Premiums	\$ 54,974	\$ 66,700	\$ 71,356	\$ 4,656	29.8 %	7.0 %
Corporate Franchise	1,436	1,200	1,592	392	10.9	32.7
Miscellaneous	2,968	2,220	2,174	(46)	(26.8)	(2.1)
<i>Total</i>	<u>\$ 59,378</u>	<u>\$ 70,120</u>	<u>\$ 75,121</u>	<u>\$ 5,001</u>	<u>26.5 %</u>	<u>7.1 %</u>
Total Taxes	\$ 4,033,793	\$ 4,195,730	\$ 4,306,341	\$ 110,611	6.8 %	2.6 %
Other Revenue:						
Interest	\$ 25,825	\$ 37,500	\$ 37,838	\$ 338	46.5 %	0.9 %
Transfers (net)	(59,891)	(77,710)	(76,577)	1,133	(27.9)	1.5
Agency Earnings & Misc	33,520	25,400	30,227	4,827	(9.8)	19.0
Total Other Revenue	\$ (546)	\$ (14,810)	\$ (8,513)	\$ 6,298	(1,459.2) %	42.5 %
TOTAL RECEIPTS	\$ 4,033,247	\$ 4,180,920	\$ 4,297,828	\$ 116,909	6.6 %	2.8 %

* Consensus Estimate as of November 7, 2019.

Excludes a Certificate of Indebtedness of \$275 million that must be redeemed prior to the end of the fiscal year.

Note: Details may not add to totals due to rounding.