



Idaho General Fund Revenue Report

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July opens the new fiscal year, and with it a new revenue forecast. New income tax rates (via HB 436) are incorporated in the forecast as are other law changes. New withholding tables are available. The adoption phase-in rate of new tables by employers does present a complication in forecasting, particularly for refunds next calendar year. The old withholding tables will cause over-withholding and hence would tend to favor higher refunds next spring.

For the fiscal year, the DFM estimate is for total general fund revenue of \$6.09 billion. This is the baseline forecast based upon the IHS July forecast for the US economy. Alternative forecasts range from \$5.88 to \$6.14 billion. The prior year brought \$6.20 billion to the general fund. The last two years have seen \$1 billion dollar increases in general fund revenue.

Individual income taxes are expected to bring in \$2.37 billion. Last year they brought in \$2.60 billion. The decrease is largely due to the tax cut (HB 436). The expansion of the grocery tax credit by \$20 per person does not impact the general fund until 2024. The estimate for July revenue from individual income taxes is \$152.1 million. Actual collections were \$149 million.

Sales taxes are expected to bring in \$2.41 billion to the general fund. Last year they brought in \$2.20 billion. A new diversion to cover Public Defense Fund starts this fiscal year. Growth in gross sales receipts is expected at 10.6 percent. The estimate for sales tax revenue to the general fund was \$213.7 million in July. Actual collections were \$214.5 million.

Corporate tax revenue was \$1.0 billion this past year, having never topped \$0.4 billion prior to that. The forecast is for \$0.87 bil-

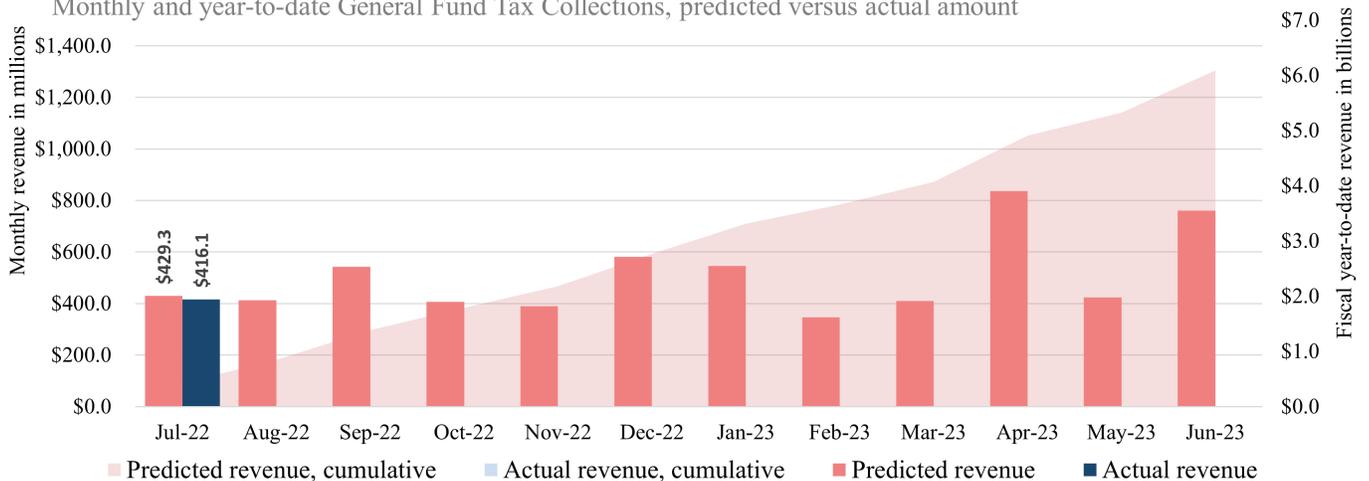
lion. Corporate tax rates were also cut via that same legislation, HB 436. The estimate for corporate was for \$36.0 million in July revenue. Actual collections were \$22 million.

Product and miscellaneous revenues were \$360 million last year. They are predicted at \$435.4 million. Largely (42 percent, in fact) this is due to an expected transfer from the Tax Relief Fund in June 2023. Other significant contributors to this are from the Department of Insurance, from interest earned on state funds, from the Secretary of State's office, and from the Liquor Division.

A revision to this forecast will be made just prior to the legislature convening in early 2023. It is quite possible that the January revision will center upon the corporate income tax, with the direction of the revision to be determined in the intervening months.

Idaho General Fund Revenue, FY 2023

Monthly and year-to-date General Fund Tax Collections, predicted versus actual amount



Predicted and Actual General Fund revenues, thousand dollars

	Month						
	July, 2020	July, 2021	July, 2022				
	actual	actual	predicted	actual	diff *	% diff **	% ch ***
Individual Income Tax	190,357.9	146,109.6	152,142.0	149,000.7	(3,141.3)	-2.1%	2.0%
Sales Tax	172,388.2	192,719.1	213,719.0	214,549.6	830.6	0.4%	11.3%
Corporate Income Tax	25,212.3	20,141.5	36,005.9	21,981.3	(14,024.6)	-39.0%	9.1%
Product Taxes	16,097.7	22,600.8	15,178.8	14,899.8	(278.9)	-1.8%	-34.1%
Miscellaneous Revenue	8,265.6	22,464.6	12,248.7	15,706.8	3,458.1	28.2%	-30.1%
Total	412,321.7	404,035.7	429,294.3	416,138.2	(13,156.2)	-3.1%	3.0%

	Fiscal YTD						
	July, 2020	July, 2021	July, 2022				
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* difference between predicted and actual

** percentage difference between predicted and actual

*** percentage change from current year and previous year

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