



Idaho General Fund Revenue Report

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December sees the release of the new forecast. Last month we discussed the affected business entities (ABE) credit system and this month we are seeing the results. The high corporate amounts from December 2021 and January 2022 have resulted in elevated levels of individual income tax refunds, particularly visible in December 2022. ABEs are still taking advantage of these credits which is why corporate accrued is high for December.

The new forecast also includes the latest economic fundamentals for the state and nation. This forecast replaces our prior expectations for July-December in the Fiscal YTD table and in the cumulative background portion of the graph, but leaves the old values for the bar-plot to allow readers a visual cue of how the forecast *method* has performed over the fiscal year.

Previously our revenue prediction for FY23 was \$6.08 b. Our

new revenue prediction for FY23 is \$5.87 b. Changes for each of the remaining months are driven by new economic fundamentals and our estimates of the timing of continued ABE refunds and credit claims.

Timing is the challenge with forecasting the impact of the ABE credits. The record levels of corporate income the state collected at the close of 2021 were due to corporations paying for credits to be applied some time in the future by individual filers. A large chunk of those refunds came out in December, reflected in the refund amount of \$93.8 m, a record for December. A new cycle of ABE payments was made with corporate collections this month exceeding either of the large values seen last winter.

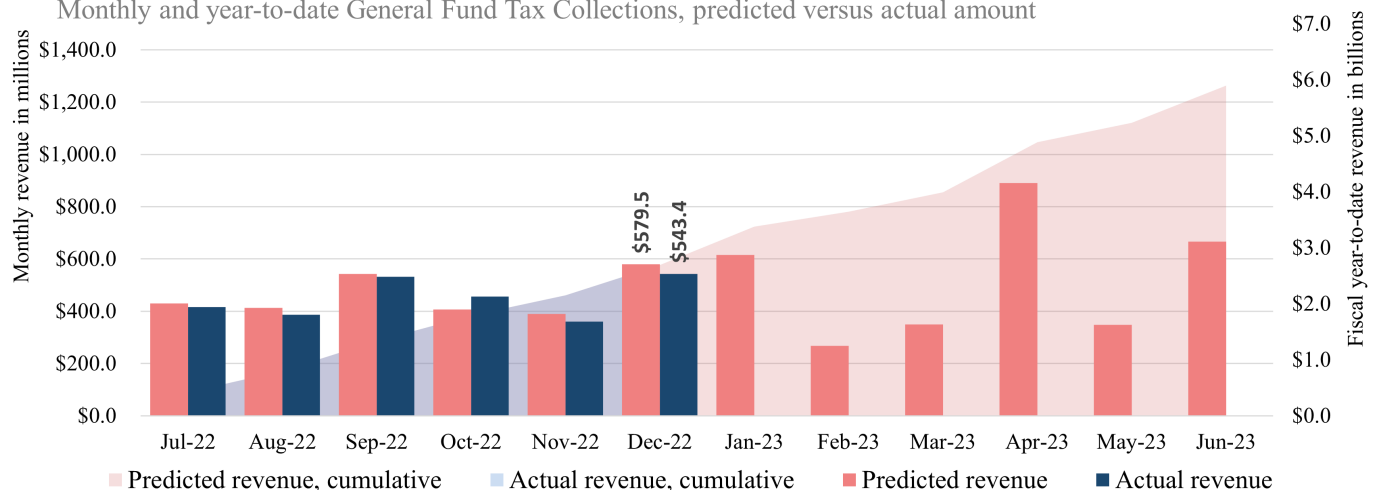
Usually stable elements, like income tax withholding, remained stable in December. Actual individual accrued was \$4.5 m lower than predicted. Actual sales

accrued was \$2.2 m lower than predicted. As the table shows, these were small misses. Actual corporate accrued was \$29 m lower than predicted. This was the largest miss on both a level and percentage basis. The remaining categories were \$0.3 m lower than predicted for a total miss of \$36.1 m.

We do not expect as large a January corporate filing as last year, but there is still uncertainty. Our prior forecast exceeded actual collections during four of five months of the fiscal year. The large collections in October brought us roughly even, but revenue has come in below expectation in the following two months. Those earlier misses factored into our forecast and were part of why the FY23 prediction is not higher in the new forecast. Even with those misses, year-to-date revenue is still up 5.0 percent compared to this time last year.

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						
	Dec. 2021	Dec. 2022	December, 2023				
	actual	actual	predicted	actual	diff *	% diff **	% ch ***
Individual Income Tax	139,748.7	159,863.2	97,547.2	92,997.8	(4,549.5)	-4.7%	-41.8%
Sales Tax	147,520.9	170,326.9	180,637.9	178,405.2	(2,232.7)	-1.2%	4.7%
Corporate Income Tax	49,338.5	212,027.5	281,108.7	252,082.2	(29,026.5)	-10.3%	18.9%
Product Taxes	5,437.5	5,531.3	5,212.1	4,973.9	(238.2)	-4.6%	-10.1%
Miscellaneous Revenue	11,198.1	12,762.3	14,997.2	14,946.1	(51.0)	-0.3%	17.1%
Total	353,243.6	560,511.2	579,503.1	543,405.1	(36,098.0)	-6.2%	-3.1%

	Fiscal YTD						
	Dec. 2021	Dec. 2022	December, 2023				
	actual	actual	predicted	actual	diff *	% diff **	% ch ***
Individual Income Tax	914,962.6	1,010,564.7	934,533.8	929,984.3	(4,549.5)	-0.5%	-8.0%
Sales Tax	974,882.1	1,103,185.3	1,210,583.8	1,208,351.1	(2,232.8)	-0.2%	9.5%
Corporate Income Tax	144,133.6	343,249.4	483,092.9	454,066.4	(29,026.5)	-6.0%	32.3%
Product Taxes	43,005.2	51,697.7	41,920.0	41,681.7	(238.2)	-0.6%	-19.4%
Miscellaneous Revenue	39,711.6	58,647.4	60,833.4	60,782.4	(51.0)	-0.1%	3.6%
Total	2,116,695.1	2,567,344.6	2,730,964.0	2,694,865.9	(36,098.0)	-1.3%	5.0%

* difference between predicted and actual

** percentage difference between predicted and actual

*** percentage change from current year and previous year

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