



Idaho General Fund Revenue Report

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February is traditionally the month during the fiscal year with the smallest General Fund receipts, but this year it posted a big surprise. General Fund collections of \$141.9 million were \$44.0 million (44.9%) higher than the predicted \$97.9 million. Through February of FY 2015, General Fund receipts are \$1,913.9 million, which is 8.3% higher than for the same period in FY 2014 and \$65.0 million (3.5%) above the projected amount.

Over 75% of this month's surplus was from the individual income tax. This category's collections of \$43.7 million were four times the projected \$10.1 million. The corporate income tax accounted for about 10% of this month's surplus. Net collections were \$3.8 million, which is \$4.1 million more than the forecasted negative \$0.3 million. The sales tax also contributed around 10% to this month's surplus. The \$85.2 million collected was \$4.4 million more than was projected. Product tax collections of \$2.9 million were slightly below the predicted \$3.1 million and revenue from miscellaneous sources of \$6.3 million was \$2.1 million more than expected.

Much-lower-than-expected refunds were the reason individual income tax receipts were larger than was projected. February 2015 refunds of \$73.3 million were \$19.4 million below the anticipated \$92.7 million. This month

marks the second consecutive month refunds were significantly below their forecasts. However, these monthly refund shortfalls are not expected to continue. Instead, actual refunds over the next few months should be higher than their monthly projections, which will narrow the gap between actual and predicted refunds over time.

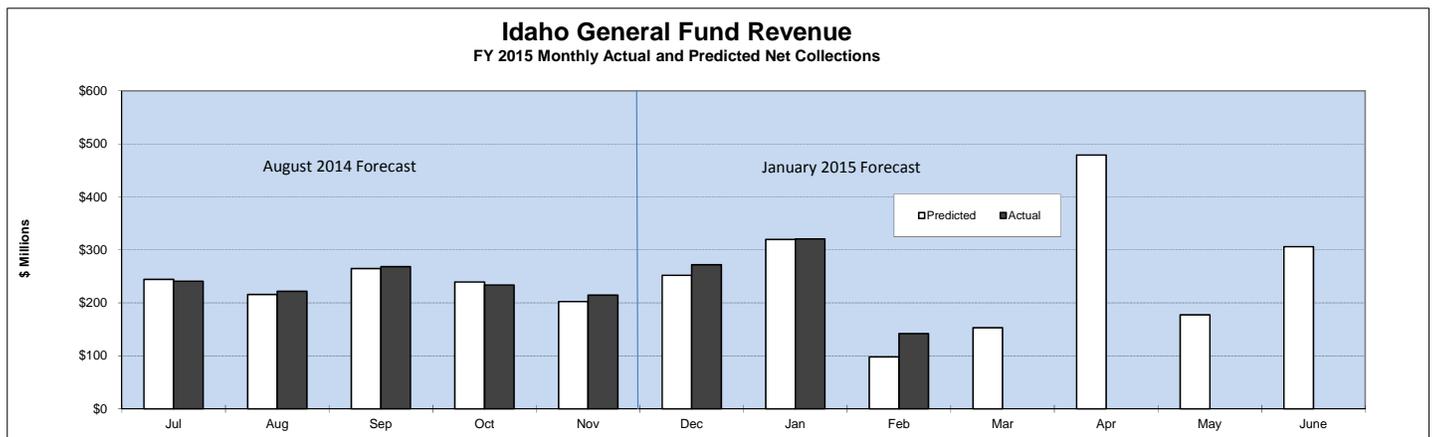
The individual income tax surplus was augmented by higher-than-projected filing payments and withholding collections. The former exceeded its prediction by \$2.0 million. After missing its target last month, withholding collections rallied in February and topped the forecast by \$11.7 million. Individual income tax receipts for FY 2015 through February are \$906.6 million, which is \$46.0 million more than expected. Readers are reminded that this surplus is expected to drop as higher refunds appear during the next few months.

Corporate income tax refunds that were \$5.6 million short of the target more than offset lower-than-expected filing collections and estimated payments. Refunds have come in below their forecasts in every month of this fiscal year. Ordinarily this would suggest our refund forecast was too high. However, refunds have been peculiar this year. For example, this month's refunds were 90% lower than in February 2014 and FY 2015 year-to-

date refunds are 67% lower than during the same period of FY 2014. Historically, nearly three-quarters of the fiscal year's returns are paid by February. But only about one-fifth of this fiscal year's expected refunds have been paid to date, which is the lowest portion on record. Refunds have been low so far this fiscal year, but they could rise in the next few months.

Sales tax receipts were 7.9% higher than in the previous February. This strong growth helped the sales tax achieve two milestones this month. February marks the first month since September 2014 that receipts have exceeded the forecast, and it is the first time this fiscal year that the year-to-date receipts have been higher than forecasted. Specifically, the fiscal year-to-date sales tax collections through February are \$818.8 million, which is \$2.5 million higher than the projected \$816.3 million.

The product taxes' shortfall reflects weaker-than-anticipated tobacco, wine, and beer taxes. Despite this month's results, product taxes remain very close to their fiscal year-to-date target. The February miscellaneous revenue surplus resulted from stronger-than-anticipated insurance premium tax receipts. Its fiscal year-to-date collections are \$45.7 million, which is about \$1.0 million above the forecast.



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Idaho General Fund Collections for February 2015

MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR FEBRUARY						
	<i>Actual FY 2013</i>	<i>Actual FY 2014</i>	<i>Actual FY 2015</i>	<i>Predicted FY 2015</i>	<i>Forecast Performance FY 2015</i>	
					<i>(Actual versus Predicted)</i>	
Individual Income Tax (\$000)	\$27,245.2	\$33,731.3	\$43,687.9	\$10,146.8	Difference	\$33,541.1
Percent Change from Previous Year	4.4%	23.8%	29.5%	-69.9%	Percent	330.6%
Corporate Income Tax (\$000)	\$3,792.1	\$1,221.8	\$3,769.5	(\$287.8)	Difference	\$4,057.2
Percent Change from Previous Year	-42.1%	-67.8%	208.5%	-123.6%	Percent	1409.9%
Sales Tax (\$000)	\$77,894.4	\$79,005.9	\$85,217.8	\$80,791.3	Difference	\$4,426.5
Percent Change from Previous Year	11.3%	1.4%	7.9%	2.3%	Percent	5.5%
Product Tax (\$000)	\$3,624.9	\$3,014.1	\$2,902.0	\$3,083.1	Difference	(\$181.2)
Percent Change from Previous Year	14.5%	-16.9%	-3.7%	2.3%	Percent	-5.9%
Miscellaneous Revenue (\$000)	\$5,737.6	\$6,532.8	\$6,328.0	\$4,181.2	Difference	\$2,146.8
Percent Change from Previous Year	-10.1%	13.9%	-3.1%	-36.0%	Percent	51.3%
Total (\$000)	\$118,294.3	\$123,505.8	\$141,905.1	\$97,914.7	Difference	\$43,990.4
Percent Change from Previous Year	5.5%	4.4%	14.9%	-20.7%	Percent	44.9%

FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH FEBRUARY						
	<i>Actual FY 2013</i>	<i>Actual FY 2014</i>	<i>Actual FY 2015</i>	<i>Predicted FY 2015</i>	<i>Forecast Performance FY 2015</i>	
					<i>(Actual versus Predicted)</i>	
Individual Income Tax (\$000)	\$772,330.1	\$824,145.3	\$906,605.0	\$860,631.6	Difference	\$45,973.4
Percent Change from Previous Year	1.8%	6.7%	10.0%	4.4%	Percent	5.3%
Corporate Income Tax (\$000)	\$85,456.0	\$88,472.4	\$110,714.2	\$95,232.1	Difference	\$15,482.1
Percent Change from Previous Year	-8.2%	3.5%	25.1%	7.6%	Percent	16.3%
Sales Tax (\$000)	\$748,884.4	\$772,521.0	\$818,847.9	\$816,310.6	Difference	\$2,537.4
Percent Change from Previous Year	7.4%	3.2%	6.0%	5.7%	Percent	0.3%
Product Tax (\$000)	\$34,867.8	\$31,131.5	\$32,026.7	\$32,059.8	Difference	(\$33.1)
Percent Change from Previous Year	15.9%	-10.7%	2.9%	3.0%	Percent	-0.1%
Miscellaneous Revenue (\$000)	\$56,301.3	\$50,767.1	\$45,701.5	\$44,682.7	Difference	\$1,018.8
Percent Change from Previous Year	-2.2%	-9.8%	-10.0%	-12.0%	Percent	2.3%
Total (\$000)	\$1,697,839.7	\$1,767,037.3	\$1,913,895.3	\$1,848,916.7	Difference	\$64,978.6
Percent Change from Previous Year	3.8%	4.1%	8.3%	4.6%	Percent	3.5%