



Idaho General Fund Revenue Report

C.L. "Butch" Otter, Governor
Jani Revier, Administrator

DIVISION OF FINANCIAL MANAGEMENT
Executive Office of the Governor

JANUARY 2016

VOLUME XXXVIII NO. 7

This month's *Idaho General Fund Revenue Report* features the revised FY 2016 General Fund revenue forecast. The updated FY 2016 General Fund revenue is \$3,183.6 million. This amount is virtually the same as the previous FY 2016 General Fund revenue forecast of \$3,181.1 million that was published in August 2015. The January 2016 revenue projection represents a 4.1% increase from the FY 2015 actual collections.

The minor \$2.5 million difference between the two forecasts is the result of larger revisions to the components of General Fund revenue offsetting each other. Stronger-than-anticipated receipts during the first quarter of FY 2016 caused DFM to raise the sales tax revenue forecast by \$8.9 million from the August 2015 forecast. In addition, the projection of revenue from miscellaneous sources was raised by \$1.6 million in January 2016 to account for one-time transfers that were higher than anticipated through the first five months of FY 2016.

These two increases were partially eclipsed by downward revisions to the forecasts for individual and corporate income taxes. The individual income tax was reduced from \$1,530.2 million in August 2015 to \$1,523.9 million in

January 2016. The main reason for this revision was withholding payments that were softer than expected. The corporate income tax receipts were lowered by \$1.9 million from \$218.4 million to \$216.5 million to reflect lower-than-predicted estimated payments.

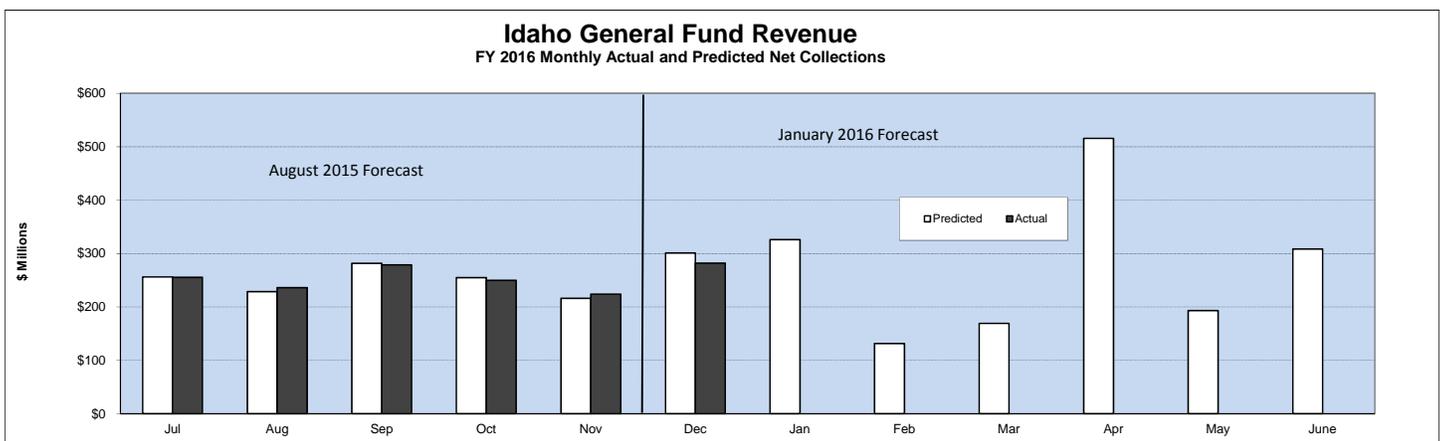
December 2015 General Fund revenue collections were \$282.0 million, which was \$12.5 million (4.2%) below the revised forecast of \$294.4 million. This result reflects two of the large revenue categories' receipts coming in below their respective monthly forecasts. The corporate income tax was the furthest from its target. Actual receipts were \$26.5 million, which was \$6.8 million (-20.5%) below the projected \$33.3 million. The individual income tax collections gap in December 2015 was \$5.0 million (-3.4%), \$142.0 million versus \$147.1 million. In contrast, the sales tax receipts of \$100.7 million were on target. Product tax collections of \$4.0 million topped its projection by \$0.2 million (6.1%). On the other hand, revenue from miscellaneous sources of \$8.8 million was \$0.8 million (-8.6%) short of the projected amount.

The lower-than-anticipated individual income tax collections for the month were mainly the result of withholding

payments that were forecast to be \$107.1 million, but came in at \$102.9 million—a difference of \$4.2 million. Filing collections for the month were also light, but not to the extent of withholding payments. Specifically, they were nearly \$0.2 million lower than the expected \$46.2 million. Slightly higher-than-expected refunds also contributed to this month's shortfall. Actual refunds in this category were \$6.8 million, which was \$0.7 million more than anticipated.

Corporate income tax collections for the month were below the forecast mainly because estimated payments of \$29.8 million were \$5.9 million below the expected \$35.7 million. Filing collections also came in lower than the forecast, \$0.7 million versus \$1.6 million. Relatively low refunds helped to mitigate the misses, but only by \$0.1 million. Refunds were expected to be \$4.0 million, but came in at \$3.9 million.

The sales tax has tracked the forecast very closely in nearly every month of the fiscal year-to-date, and December was no exception. Actual sales tax collections of \$100.7 million were within \$0.1 million of the forecast. This month's sales tax receipts represent a 6.1% increase from December 2014.



Prepared by Derek E. Santos, Chief Economist and Nathaniel L. Clayville, Economist.

Idaho Division of Financial Management • 304 North 8th Street • PO Box 83720 • Boise, Idaho 83720-0032 • 208-334-3900

Idaho General Fund Collections for December 2015

MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR DECEMBER						
	<i>Actual FY 2014</i>	<i>Actual FY 2015</i>	<i>Actual FY 2016</i>	<i>Predicted FY 2016</i>	<i>Forecast Performance FY 2016</i>	
					<i>(Actual versus Predicted)</i>	
Individual Income Tax (\$000)	\$129,784.2	\$132,467.9	\$142,038.3	\$147,056.3	Difference	(\$5,018.0)
Percent Change from Previous Year	7.6%	2.1%	7.2%	11.0%	Percent	-3.4%
Corporate Income Tax (\$000)	\$25,902.1	\$32,948.1	\$26,496.2	\$33,323.0	Difference	(\$6,826.8)
Percent Change from Previous Year	1.7%	27.2%	-19.6%	1.1%	Percent	-20.5%
Sales Tax (\$000)	\$91,669.9	\$94,941.4	\$100,703.1	\$100,735.4	Difference	(\$32.2)
Percent Change from Previous Year	7.7%	3.6%	6.1%	6.1%	Percent	0.0%
Product Tax (\$000)	\$3,050.8	\$3,341.8	\$3,961.8	\$3,735.1	Difference	\$226.7
Percent Change from Previous Year	-17.3%	9.5%	18.6%	11.8%	Percent	6.1%
Miscellaneous Revenue (\$000)	\$8,117.7	\$8,302.4	\$8,761.5	\$9,581.5	Difference	(\$820.0)
Percent Change from Previous Year	8.9%	2.3%	5.5%	15.4%	Percent	-8.6%
Total (\$000)	\$258,524.6	\$272,001.7	\$281,961.0	\$294,431.3	Difference	(\$12,470.3)
Percent Change from Previous Year	6.6%	5.2%	3.7%	8.2%	Percent	-4.2%

FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH DECEMBER						
	<i>Actual FY 2014</i>	<i>Actual FY 2015</i>	<i>Actual FY 2016</i>	<i>Predicted FY 2016</i>	<i>Forecast Performance FY 2016</i>	
					<i>(Actual versus Predicted)</i>	
Individual Income Tax (\$000)	\$635,190.6	\$676,067.3	\$708,237.8	\$713,255.7	Difference	(\$5,018.0)
Percent Change from Previous Year	7.8%	6.4%	4.8%	12.3%	Percent	-0.7%
Corporate Income Tax (\$000)	\$85,930.7	\$94,316.6	\$86,043.6	\$92,870.4	Difference	(\$6,826.8)
Percent Change from Previous Year	17.6%	9.8%	-8.8%	8.1%	Percent	-7.4%
Sales Tax (\$000)	\$584,351.9	\$616,136.7	\$661,252.0	\$661,284.2	Difference	(\$32.2)
Percent Change from Previous Year	4.4%	5.4%	7.3%	7.3%	Percent	0.0%
Product Tax (\$000)	\$24,891.2	\$25,915.8	\$28,726.6	\$28,499.9	Difference	\$226.7
Percent Change from Previous Year	-10.0%	4.1%	10.8%	10.0%	Percent	0.8%
Miscellaneous Revenue (\$000)	\$42,928.2	\$38,922.2	\$42,164.3	\$42,984.4	Difference	(\$820.0)
Percent Change from Previous Year	-11.3%	-9.3%	8.3%	10.4%	Percent	-1.9%
Total (\$000)	\$1,373,292.7	\$1,451,358.6	\$1,526,424.3	\$1,538,894.6	Difference	(\$12,470.3)
Percent Change from Previous Year	5.8%	5.7%	5.2%	6.0%	Percent	-0.8%