



Idaho General Fund Revenue Report

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

DIVISION OF FINANCIAL MANAGEMENT
Executive Office of the Governor

SEPTEMBER 2015

VOLUME XXXVIII NO. 3

Idaho's August 2015 General Fund collections were \$236.3 million. This amount is \$7.7 million (3.4%) more than the forecasted \$228.6 million. It is also 6.4% more than the previous August's collections. This month's slightly stronger-than-expected showing brings the FY 2016 year-to-date collections to \$492.0 million, which is \$6.9 million (1.4%) above the anticipated \$485.1 million. Through August of the current fiscal year, General Fund revenue is running 6.3% ahead of the same period in FY 2015.

Two of the largest tax categories accounted for this month's strength. First, individual income tax receipts of \$117.4 million topped their forecast by \$5.6 million (5.0%). Second, sales tax collections also beat their forecast. They came in at \$113.0 million, which was \$3.6 million (3.3%) above the projected \$109.4 million. The corporate income tax category did not fare as well as the other two major tax categories, however. In fact, its proceeds of \$1.0 million were just half the forecasted \$2.0 million. Product taxes of \$3.9 million, on the other hand, were virtually on target. Miscellaneous revenue of \$0.9 million was \$0.5 million (-34.8%) under the projection.

This month's \$5.6-million individual income tax surplus stems from stronger-than-expected withholding

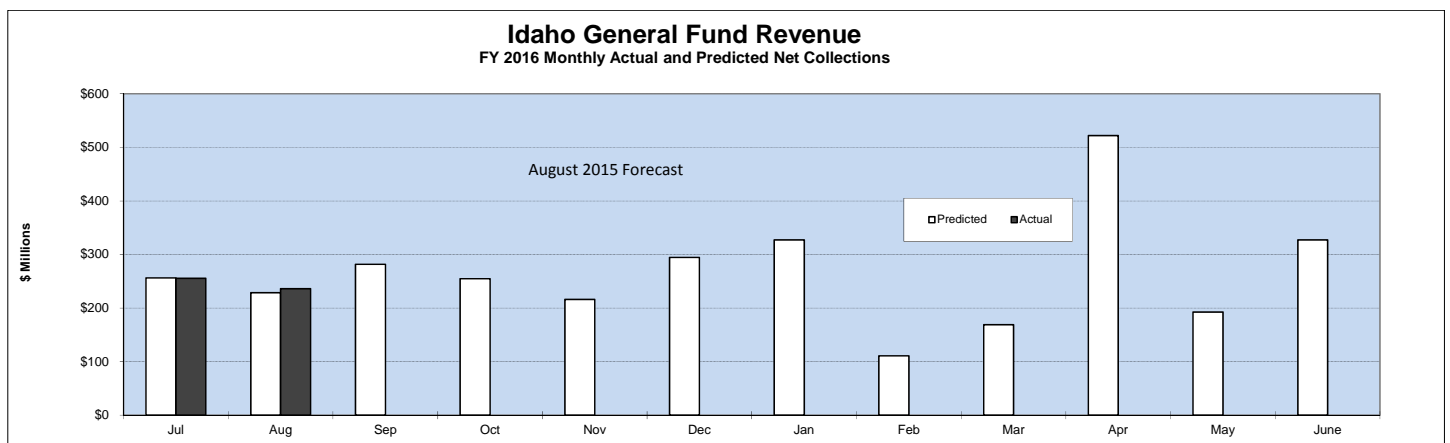
payments and lower-than-predicted refunds. The former were \$5.7 million above the forecast, \$114.2 million compared to \$108.5 million. Interestingly, this month's withholding payments surplus is just slightly above the previous month's shortfall. As a result, withholding payments for the fiscal year to date are now very close to the target. Individual income tax refunds of \$3.4 million were \$1.6 million under the projection. Coincidentally, the gain from the lower refunds was offset by filing collections that were also \$1.6 million under the forecast, \$6.8 million versus \$8.5 million. Individual income tax revenue through August of the current fiscal year is \$221.5 million, which is \$1.3 million more than anticipated.

The sales tax contribution to the General Fund grew much faster this month than was anticipated. It was predicted that it would advance 2.7% from August 2014 to August 2015. Instead, it grew 6.1%. This pace is consistent with the 6.2% rise in total sales tax receipts over the same period. These receipts are the amount raised from sales of taxable items. Unlike the sales tax contribution to the General Fund, total receipts do not include refunds or statutory distributions. As such, they are a valuable indicator of the economy's underlying health. For FY 2016 through August, the sales tax

added \$231.5 million to the General Fund. This amount is \$8.7 million above the forecast and 9.1% higher than for the same period in FY 2015.

August 2015 corporate income tax receipts were weighed down by refunds that were more than twice as high as expected. Refunds have exceeded their forecasts in both months of the fiscal year. Most recently, actual refunds for August were \$2.8 million, which were \$1.5 million above the anticipated \$1.3 million. Partially offsetting these high refunds were estimated payments of \$2.9 million that exceeded the predicted \$1.7 million by \$1.1 million. Filing collections came in below expectations, \$1.1 million versus the expected \$1.8 million. For the fiscal year to date, corporate income tax receipts of \$5.7 million are lagging the forecast by \$3.9 million.

Miscellaneous revenue for the month was mainly held down by two items. It was forecast that the month's unclaimed property distribution would be -\$0.3 million. It was -\$0.6 million. There were expected to be \$0.2 million in mine license tax receipts, but none materialized. For the fiscal year to date, miscellaneous revenue is \$20.1 million, which is \$0.7 million more than projected. Product taxes for the same period are \$13.0 million, which is \$0.2 million more than anticipated.



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 August 2015

MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR AUGUST						
	<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)	\$94,742.9	\$106,620.2	\$117,434.7	\$111,876.7	Difference	\$5,558.1
Percent Change from Previous Year	6.6%	12.5%	10.1%	4.9%	Percent	5.0%
Corporate Income Tax (\$000)	\$4,965.8	\$3,985.1	\$992.5	\$1,961.7	Difference	(\$969.2)
Percent Change from Previous Year	92.6%	-19.7%	-75.1%	-50.8%	Percent	-49.4%
Sales Tax (\$000)	\$99,995.4	\$106,506.2	\$112,998.7	\$109,407.6	Difference	\$3,591.2
Percent Change from Previous Year	0.0%	6.5%	6.1%	2.7%	Percent	3.3%
Product Tax (\$000)	\$3,640.6	\$3,371.7	\$3,916.2	\$3,927.5	Difference	(\$11.2)
Percent Change from Previous Year	-5.0%	-7.4%	16.2%	16.5%	Percent	-0.3%
Miscellaneous Revenue (\$000)	\$1,188.4	\$1,496.3	\$942.6	\$1,446.3	Difference	(\$503.7)
Percent Change from Previous Year	-48.9%	25.9%	-37.0%	-3.3%	Percent	-34.8%
Total (\$000)	\$204,533.1	\$221,979.4	\$236,284.8	\$228,619.7	Difference	\$7,665.1
Percent Change from Previous Year	3.5%	8.5%	6.4%	3.0%	Percent	3.4%

FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH AUGUST						
	<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)	\$187,615.6	\$206,488.2	\$221,547.5	\$220,242.1	Difference	\$1,305.4
Percent Change from Previous Year	4.0%	10.1%	7.3%	17.4%	Percent	0.6%
Corporate Income Tax (\$000)	\$12,814.4	\$13,333.1	\$5,728.0	\$9,675.3	Difference	(\$3,947.4)
Percent Change from Previous Year	63.8%	4.0%	-57.0%	-24.5%	Percent	-40.8%
Sales Tax (\$000)	\$201,100.9	\$212,248.5	\$231,542.6	\$222,852.9	Difference	\$8,689.6
Percent Change from Previous Year	1.2%	5.5%	9.1%	5.0%	Percent	3.9%
Product Tax (\$000)	\$12,115.9	\$12,453.1	\$13,008.8	\$12,817.3	Difference	\$191.5
Percent Change from Previous Year	-1.7%	2.8%	4.5%	2.9%	Percent	1.5%
Miscellaneous Revenue (\$000)	\$22,920.0	\$18,399.7	\$20,149.7	\$19,462.9	Difference	\$686.8
Percent Change from Previous Year	8.1%	-19.7%	9.5%	5.8%	Percent	3.5%
Total (\$000)	\$436,566.8	\$462,922.6	\$491,976.6	\$485,050.5	Difference	\$6,926.0
Percent Change from Previous Year	3.8%	6.0%	6.3%	4.8%	Percent	1.4%