



Idaho General Fund Revenue Report

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This month's report features the revised FY 2017 Idaho General Fund revenue forecast. The new forecast of \$3,342.5 million represents a \$158.8 million (5.0%) increase over FY 2016's collections of \$3,183.7 million. It supersedes the previous FY 2017 revenue projection of \$3,340.4 million that was published in January 2016. The current forecast reflects changes to the underlying economic and fiscal conditions since the previous forecast was prepared and impacts from recently-enacted law changes.

The current and previous FY 2017 General Fund revenue forecasts differ by less than \$3.0 million. However, the differences among some of their components vary more widely. For example, the current sales tax receipts forecast of \$1,376.5 million is \$31.4 million above the \$1,345.1 million predicted in January 2016. In contrast, the receipts from both the individual and corporate income categories have been reduced this summer. The projected individual income tax revenue was forecast to reach \$1,606.2 million. It has been reduced to \$1,584.1 million. The corporate income tax projection has been decreased by \$19.9 million, from \$222.1 million to \$202.2 million. Conversely, both the product taxes and miscellaneous revenue forecasts have been lifted from their previous levels. Revised product tax receipts of \$56.7 million are

up by \$2.1 million from the January 2016 estimate and the revenues from miscellaneous sources are up \$10.6 million to \$123.0 million.

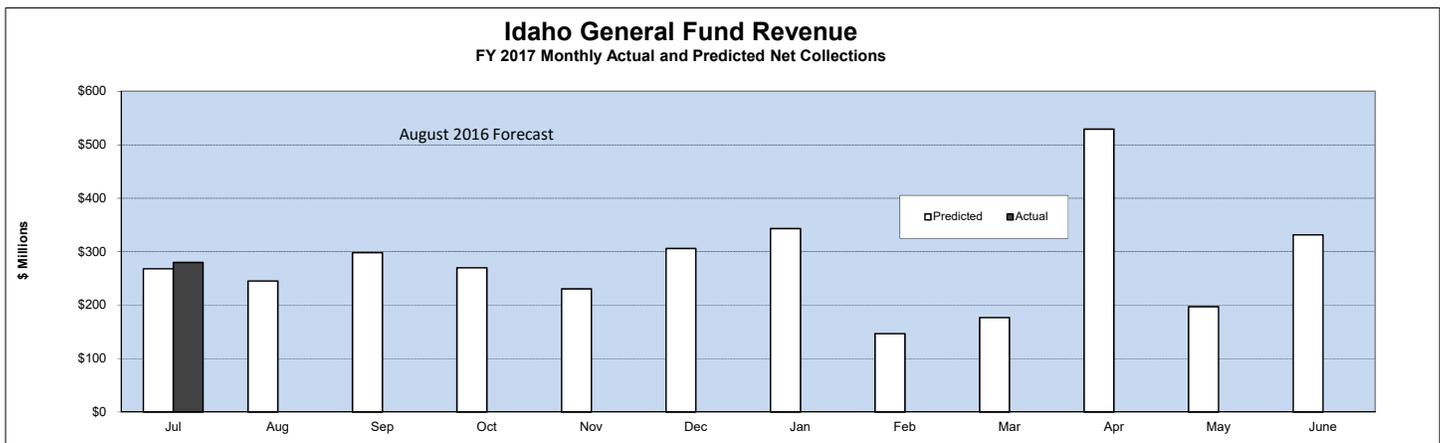
The sales tax forecast was raised to reflect its strong showing in FY 2016. Sales tax contributions to the General Fund were forecast to grow 4.9% last year to \$1,279.1 million. Instead, they grew 6.9% to \$1,303.0 million. This alone raised the starting point of the FY 2017 forecast by about \$24.0 million. In addition, the predicted FY 2017 growth rate was increased from 5.2% in January 2016 to 5.6% in July 2016.

The Idaho individual income tax outlook was reduced to reflect the lower-than-predicted growth in FY 2016. Last year's performance was weighed down by the 11.2% surge in refunds to \$367.9 million, which was a \$37.2 million increase from FY 2015. Another jump in refunds in FY 2017 is not expected. Instead, they are forecast to increase \$14.2 million in this fiscal year. Individual income tax filing collections grew 2.7% in FY 2016, and they are expected to advance by 2.2% in FY 2017 to \$599.6 million. Withholding payments are forecast to be \$1,375.7 million in FY 2017, an increase of 5.6% from the previous fiscal year.

The corporate income tax category was lowered in light of last year's

disappointing showing. Actual receipts from the corporate income tax fell \$29.6 million short of the anticipated \$216.5 million in FY 2016. In the current forecast, FY 2017 filing collections are forecast to be \$52.8 million, which is an \$11.4 million increase from FY 2016. Estimated payments are anticipated to grow 3.2% to \$187.2 million. Refunds, which had leapt 70.7% in FY 2016, are projected to grow 7.8% in FY 2017 to \$36.4 million.

General Fund receipts for the first month of FY 2017 were \$279.7 million, which is nearly \$11.7 million (4.4%) above the predicted \$268.1 million. This month's receipts are 9.4% higher than last July. The major contributors to the month's strong showing were the individual income and sales taxes. The individual income tax added \$120.0 million to the General Fund, which was \$6.9 million more than the expected \$113.1 million. Sales tax receipts were \$4.1 million higher than expected, \$127.6 million compared with the forecasted \$123.5 million. Product taxes and revenue from miscellaneous sources also topped their respective forecasts. The former came in \$0.2 million above the forecast and the latter was \$0.5 million above the anticipated amount. Corporate income tax was the only category that failed to top its July target, but it was the closest to it; it came within \$2,000 of the expected \$6.5 million.



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Idaho General Fund Collections for July 2016

MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR JULY						
	<i>Actual FY 2015</i>	<i>Actual FY 2016</i>	<i>Actual FY 2017</i>	<i>Predicted FY 2017</i>	<i>Forecast Performance FY 2017</i>	
					<i>(Actual versus Predicted)</i>	
Individual Income Tax (\$000)	\$99,868.1	\$104,112.8	\$120,014.4	\$113,094.2	Difference	\$6,920.2
Percent Change from Previous Year	7.5%	4.3%	15.3%	8.6%	Percent	6.1%
Corporate Income Tax (\$000)	\$9,348.0	\$4,735.4	\$6,527.7	\$6,529.1	Difference	(\$1.4)
Percent Change from Previous Year	19.1%	-49.3%	37.8%	37.9%	Percent	0.0%
Sales Tax (\$000)	\$105,742.3	\$118,543.8	\$127,617.5	\$123,537.1	Difference	\$4,080.4
Percent Change from Previous Year	4.6%	12.1%	7.7%	4.2%	Percent	3.3%
Product Tax (\$000)	\$9,081.4	\$9,092.5	\$10,505.9	\$10,293.9	Difference	\$212.0
Percent Change from Previous Year	7.2%	0.1%	15.5%	13.2%	Percent	2.1%
Miscellaneous Revenue (\$000)	\$16,903.4	\$19,207.1	\$15,080.1	\$14,604.1	Difference	\$476.0
Percent Change from Previous Year	-22.2%	13.6%	-21.5%	-24.0%	Percent	3.3%
Total (\$000)	\$240,943.1	\$255,691.8	\$279,745.6	\$268,058.4	Difference	\$11,687.1
Percent Change from Previous Year	3.8%	6.1%	9.4%	4.8%	Percent	4.4%

FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH JULY						
	<i>Actual FY 2015</i>	<i>Actual FY 2016</i>	<i>Actual FY 2017</i>	<i>Predicted FY 2017</i>	<i>Forecast Performance FY 2017</i>	
					<i>(Actual versus Predicted)</i>	
Individual Income Tax (\$000)	\$99,868.1	\$104,112.8	\$120,014.4	\$113,094.2	Difference	\$6,920.2
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