



Idaho General Fund Revenue Report

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

DIVISION OF FINANCIAL MANAGEMENT
Executive Office of the Governor

FEBRUARY 2017

VOLUME XXXIX NO. 8

Idaho General Fund receipts in January 2017 exceeded expectations. The \$364.5 million collected this month was 12.3% higher than in the previous January, and growth was over twice as high as the predicted 5.2%. The stronger growth resulted in actual receipts topping the expected \$341.5 million by \$22.9 million (6.7%). On a fiscal year-to-date basis, General Fund receipts are \$2,026.1 million, which is \$39.2 million (2.0%) above the anticipated \$1,986.9 million. The FY 2017 year-to-date collections are 9.5% higher than they were during the previous fiscal year.

The lion's share of this month's strong revenue showing is from income taxes. Individual income tax collections have surpassed their forecasts in all but one month of the current fiscal year. Projected individual income tax receipts for January 2017 were forecast to be nearly \$192.8 million. Instead, actual collections of \$212.3 million were \$19.5 million (10.1%) higher. Corporate income tax receipts were \$12.9 million, which was \$5.7 million (79.1%) million higher than the predicted \$7.2 million. Once again, the sales tax contribution to the General Fund came in very close to expectations, \$133.6 million versus \$135.4 million, which was a slight shortfall of \$1.8 million (-1.4%). Product taxes of \$4.1 million were virtually on target in January 2017.

Revenue from miscellaneous sources of \$1.6 million was \$0.5 million below the forecast.

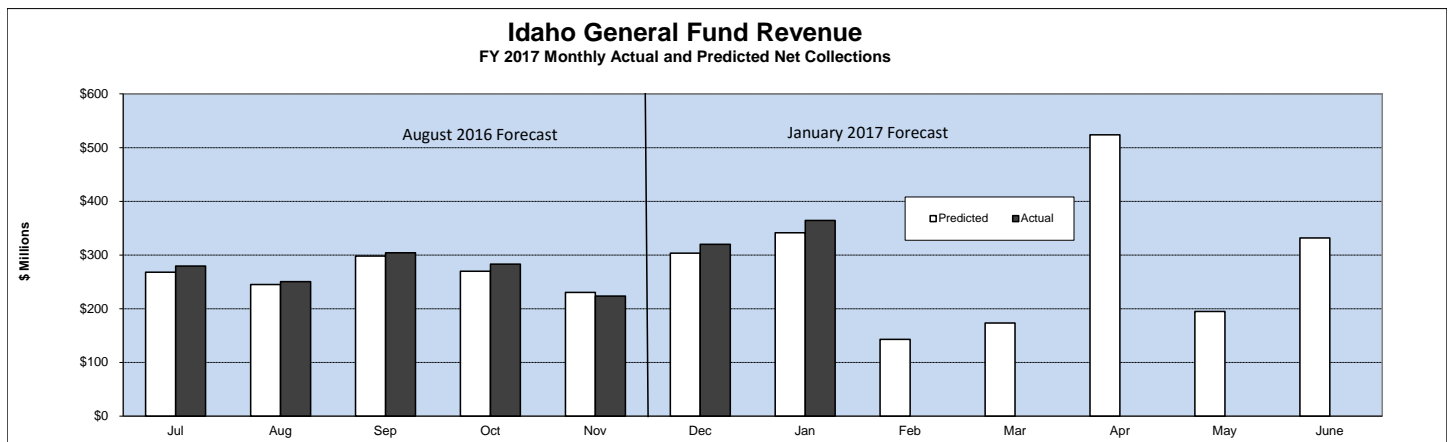
All components of the individual income tax performed strongly this month. Filing collections of \$69.8 million were \$6.3 million above the expected \$63.4 million. Withholding payments of \$144.6 million exceeded its target by \$4.7 million, which is positive news, as they are a timely indicator of the economy's health. Refunds were \$1.6 million instead of the predicted \$9.2 million, which added \$7.6 million towards this month's bottom line. These lower-than-forecast refunds are likely the result of the later-than-historical start of income tax processing season. As such, it is likely this month's results will be followed by higher-than-expected refunds in future months. Fiscal year-to-date receipts through January 2017 are \$996.8 million, which is \$33.2 million above the projection.

Low refunds also boosted the corporate income tax results this month. They were just \$0.5 million in January, which was \$5.3 million less than the anticipated \$5.7 million. As was the case with individual income tax refunds, this was likely a timing issue that will right itself over the next few months. January's receipts were further augmented by estimated payments that were \$3.3 million

above the forecast, \$11.8 million versus \$8.5 million. Filing collections of \$1.8 million, on the other hand, came in \$2.6 million short of the forecast \$4.4 million. Corporate income tax collections for the fiscal year to date are \$108.3 million, which is \$10.1 million higher than was forecast.

January sales tax receipts are an important milestone. It is the largest sales tax month for the fiscal year because it is the month when December sales taxes are remitted. As such, it is considered a "make or break" collection month. Actual receipts this January were \$133.6 million, which was a 6.7% increase from the previous January. However, it was forecast to be \$135.4 million. While actual receipts were \$1.8 million lower than predicted, it is not a cause for alarm at this time for two reasons. First, this month's 1.4% shortfall was relatively small. Second, the fiscal year-to-date difference between actual receipts of \$842.5 million and the forecasted \$844.3 million is just -0.2%.

Fiscal year-to-date product taxes of \$36.8 million are \$0.4 million ahead of the forecast. Revenue from miscellaneous sources for the same period is \$41.6 million, which is \$2.7 million behind the projection.



Prepared by Derek E. Santos, Chief Economist and Greg Piepmeyer, 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 January 2017

MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR JANUARY						
	<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)	\$186,849.8	\$188,451.7	\$212,257.5	\$192,750.0	Difference	\$19,507.5
Percent Change from Previous Year	20.4%	0.9%	12.6%	2.3%	Percent	10.1%
Corporate Income Tax (\$000)	\$12,628.2	\$5,951.2	\$12,903.8	\$7,202.9	Difference	\$5,700.9
Percent Change from Previous Year	856.8%	-52.9%	116.8%	21.0%	Percent	79.1%
Sales Tax (\$000)	\$117,493.4	\$125,171.0	\$133,561.9	\$135,400.2	Difference	(\$1,838.3)
Percent Change from Previous Year	7.6%	6.5%	6.7%	8.2%	Percent	-1.4%
Product Tax (\$000)	\$3,208.9	\$3,731.4	\$4,104.1	\$4,072.9	Difference	\$31.1
Percent Change from Previous Year	-0.5%	16.3%	10.0%	9.2%	Percent	0.8%
Miscellaneous Revenue (\$000)	\$451.3	\$1,288.7	\$1,624.1	\$2,107.0	Difference	(\$482.9)
Percent Change from Previous Year	-65.4%	185.6%	26.0%	63.5%	Percent	-22.9%
Total (\$000)	\$320,631.6	\$324,594.0	\$364,451.4	\$341,533.0	Difference	\$22,918.4
Percent Change from Previous Year	18.6%	1.2%	12.3%	5.2%	Percent	6.7%

FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH JANUARY						
	<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)	\$862,917.1	\$896,689.5	\$996,839.0	\$963,605.1	Difference	\$33,234.0
Percent Change from Previous Year	9.2%	3.9%	11.2%	7.5%	Percent	3.4%
Corporate Income Tax (\$000)	\$106,944.7	\$91,994.7	\$108,297.3	\$98,237.9	Difference	\$10,059.4
Percent Change from Previous Year	22.6%	-14.0%	17.7%	6.8%	Percent	10.2%
Sales Tax (\$000)	\$733,630.1	\$786,423.0	\$842,477.9	\$844,259.1	Difference	(\$1,781.1)
Percent Change from Previous Year	5.8%	7.2%	7.1%	7.4%	Percent	-0.2%
Product Tax (\$000)	\$29,124.8	\$32,458.0	\$36,816.6	\$36,428.6	Difference	\$388.0
Percent Change from Previous Year	3.6%	11.4%	13.4%	12.2%	Percent	1.1%
Miscellaneous Revenue (\$000)	\$39,373.5	\$43,453.0	\$41,649.2	\$44,377.7	Difference	(\$2,728.5)
Percent Change from Previous Year	-11.0%	10.4%	-4.2%	2.1%	Percent	-6.1%
Total (\$000)	\$1,771,990.2	\$1,851,018.3	\$2,026,080.2	\$1,986,908.4	Difference	\$39,171.8
Percent Change from Previous Year	7.8%	4.5%	9.5%	7.3%	Percent	2.0%