



Idaho General Fund Revenue Report

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

DIVISION OF FINANCIAL MANAGEMENT
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This month's Idaho General Fund Revenue Report features the revised FY 2018 General Fund revenue forecast that was released this month. It supersedes the previous forecast that was published in August 2017. The revised General Fund estimate for FY 2018 is \$3,615.8 million, which is \$36.5 million higher than the previous projection of \$3,579.3 million. The current fiscal year forecast represents a 4.9% increase over FY 2017. The General Fund was previously forecast to increase 3.8% in FY 2018.

The \$36.5 million increase from the previous forecast reflects changes to the Idaho economic outlook and actual collections in the first five months of FY 2018. Major changes were made to individual income, sales, and miscellaneous taxes. The individual income tax forecast was raised by \$26.8 million mainly to adjust for consistently stronger-than-anticipated monthly withholding payments during the first five months of the fiscal year. The sales tax also enjoyed several strong months, so its forecast was raised \$23.2 million above its previous projection. In contrast, actual corporate income tax has been lower than expected in all but one month so far this fiscal year. As a result, it has been reduced to \$211.1 million from last August's \$225.1 million.

General Fund revenue collections for December 2017 were much higher than the revised forecast. Instead of the projected \$330.1 million, actual receipts for the month

were \$377.3 million, an average of \$47.2 million (14.3%). This month's receipts were expected to grow 3.2% from December 2016, but they advanced 17.9%. General Fund revenue for the fiscal year to date is \$1,816.9 million, which is 2.7% above the predicted amount.

All categories except for product taxes experienced higher-than-expected receipts this month. Individual income tax receipts of \$210.0 million exceeded the forecast by \$42.4 million (25.3%). The sales tax contribution of \$118.5 million to the General Fund topped the projected \$115.1 million by \$3.4 million (3.0%). Corporate income tax collections of \$34.6 million were \$0.4 million (1.1%) more than was anticipated. Miscellaneous revenue topped the forecast by \$1.2 million (13.5%), \$10.0 million versus \$8.8 million. Product taxes of \$4.3 million fell \$0.1 million (-3.2%) short of the \$4.4 million predicted for December.

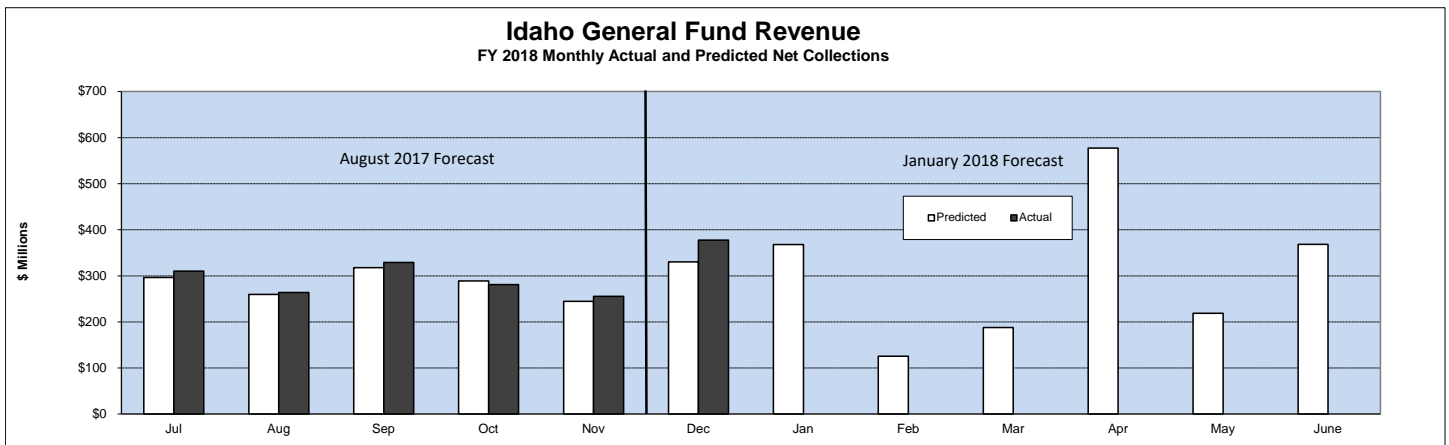
Both individual income tax filing collections and withholding payments surged in December. The former increased 23.9% from the previous December and the latter climbed 24.2%. A review of activity for the end of December suggests taxpayers were shifting income from 2018 to 2017, likely in response to the recently passed federal tax law changes. The value of filing collections during the last week of December 2017 jumped \$15.8 million (37.0%) above the previous year, mainly due to the doubling of the number of filings. During this same period, the number of withholding payments

was also up more than twofold. The average value of these withholding payments was up even more, coming in four times above last year's average. As a result, withholding payments for the last week of December 2017 were almost ten times higher than in the same period of 2016. December's increase is likely to be followed by lower-than-projected revenues later in the fiscal year and higher-than-anticipated refunds.

This December's small surplus in corporate income tax reflects a mix of results among its components. Refunds were \$1.2 million lower than expected. Filing collections were \$0.8 million above the forecast. However, the combined surpluses of both these components were nearly erased by estimated payments that were \$1.4 million below the forecast.

As mentioned, the sales tax forecast was revised upwards due to consistently strong receipts during the first months of FY 2018. Even after raising the forecast, December sales tax receipts topped the revised projection by \$3.4 million. The sales tax contribution to the General Fund was expected to grow 5.3% from the previous December. Instead, it was 8.4% ahead of last year's showing.

Lower-than-forecasted tobacco tax collections led to the product taxes category's underperformance this month. Strong State Treasurer interest earnings were the reason for December's surplus miscellaneous receipts.



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 December 2017

MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR DECEMBER						
	<i>Actual FY 2016</i>	<i>Actual FY 2017</i>	<i>Actual FY 2018</i>	<i>Predicted FY 2018</i>	<i>Forecast Performance FY 2018</i>	
					<i>(Actual versus Predicted)</i>	
Individual Income Tax (\$000)	\$142,038.3	\$166,194.0	\$209,960.8	\$167,604.4	Difference	\$42,356.4
Percent Change from Previous Year	7.2%	17.0%	26.3%	0.8%	Percent	25.3%
Corporate Income Tax (\$000)	\$26,496.2	\$31,106.8	\$34,607.8	\$34,218.3	Difference	\$389.5
Percent Change from Previous Year	-19.6%	17.4%	11.3%	10.0%	Percent	1.1%
Sales Tax (\$000)	\$100,703.1	\$109,302.3	\$118,532.8	\$115,115.9	Difference	\$3,416.9
Percent Change from Previous Year	6.1%	8.5%	8.4%	5.3%	Percent	3.0%
Product Tax (\$000)	\$3,961.8	\$4,492.7	\$4,283.0	\$4,422.6	Difference	(\$139.6)
Percent Change from Previous Year	18.6%	13.4%	-4.7%	-1.6%	Percent	-3.2%
Miscellaneous Revenue (\$000)	\$8,761.5	\$8,889.8	\$9,956.7	\$8,773.5	Difference	\$1,183.3
Percent Change from Previous Year	5.5%	1.5%	12.0%	-1.3%	Percent	13.5%
Total (\$000)	\$281,961.0	\$319,985.7	\$377,341.2	\$330,134.7	Difference	\$47,206.5
Percent Change from Previous Year	3.7%	13.5%	17.9%	3.2%	Percent	14.3%

FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH DECEMBER						
	<i>Actual FY 2016</i>	<i>Actual FY 2017</i>	<i>Actual FY 2018</i>	<i>Predicted FY 2018</i>	<i>Forecast Performance FY 2018</i>	
					<i>(Actual versus Predicted)</i>	
Individual Income Tax (\$000)	\$708,237.8	\$784,581.5	\$874,615.6	\$832,259.2	Difference	\$42,356.4
Percent Change from Previous Year	4.8%	10.8%	11.5%	6.1%	Percent	5.1%
Corporate Income Tax (\$000)	\$86,043.6	\$95,393.5	\$91,169.3	\$90,779.8	Difference	\$389.5
Percent Change from Previous Year	-8.8%	10.9%	-4.4%	-4.8%	Percent	0.4%
Sales Tax (\$000)	\$661,252.0	\$708,916.0	\$762,763.7	\$759,346.9	Difference	\$3,416.9
Percent Change from Previous Year	7.3%	7.2%	7.6%	7.1%	Percent	0.4%
Product Tax (\$000)	\$28,726.6	\$32,712.6	\$32,568.5	\$32,708.1	Difference	(\$139.6)
Percent Change from Previous Year	10.8%	13.9%	-0.4%	0.0%	Percent	-0.4%
Miscellaneous Revenue (\$000)	\$42,164.3	\$40,025.1	\$55,829.7	\$54,646.4	Difference	\$1,183.3
Percent Change from Previous Year	8.3%	-5.1%	39.5%	36.5%	Percent	2.2%
Total (\$000)	\$1,526,424.3	\$1,661,628.8	\$1,816,946.8	\$1,769,740.3	Difference	\$47,206.5
Percent Change from Previous Year	5.2%	8.9%	9.3%	6.5%	Percent	2.7%