

Idaho General Fund Revenue Report

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February marks the fourth consecutive month that General Fund receipts have topped their forecasts. They were \$166.1 million this month, which exceeded the expected \$121.8 million by \$44.3 million (36.3%). Stronger-than-expected receipts have been the rule, not the exception, this fiscal year; they have been above projections in every month except for October 2017. For the fiscal year to date, General Fund receipts are \$2,432.3 million, which is \$131.4 million (5.7%) more than was predicted and 12.0% above the same period last year.

The largest contributor to this month's surplus was the individual income tax. Its receipts of \$46.1 million eclipsed the forecasted collections of \$16.5 million by \$29.7 million (180.1%). In addition, the sales tax contributed another \$6.3 million (6.4%) to this month's surplus, with actual receipts of \$103.9 million exceeding the predicted \$97.7 million. The corporate income tax was forecast to be slightly negative (-\$0.6 million) this month, but it came in at \$3.4 million—a \$4.0 million surplus. Product taxes of \$4.2 million were slightly above the forecast. Miscellaneous revenue was \$4.2 million higher than anticipated.

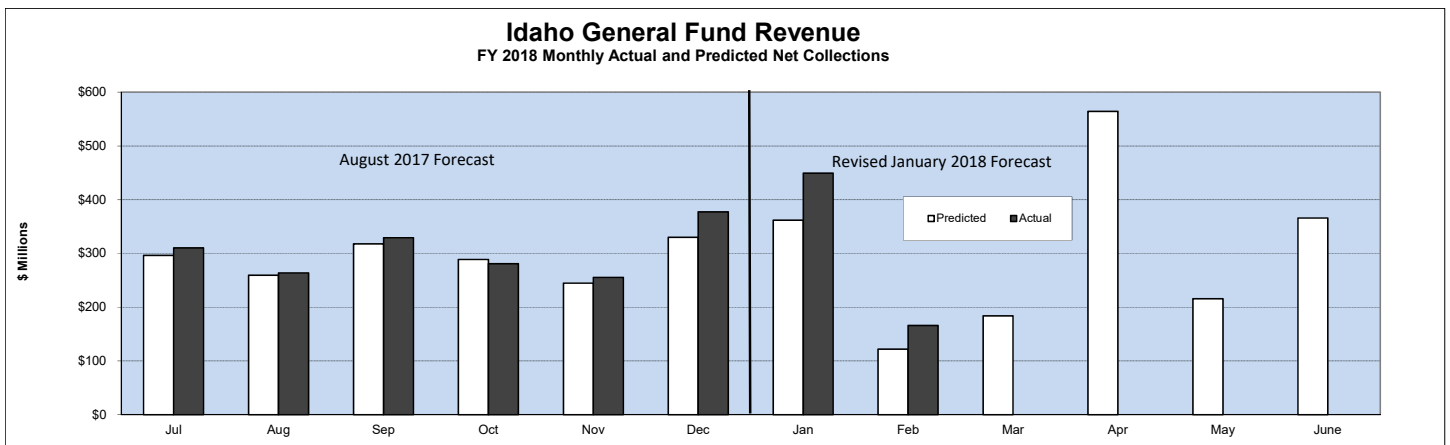
Two components of the individual income accounted for virtually its entire February surplus: withholding payments and refunds. Withholding payments were expected to be \$117.4 million, but actual payments were \$131.6 million—an excess of \$14.2 million. February is the second month this year that withholding payments have posted a noticeable surplus. In December, payments were \$19.3 million higher than expected. That month's strong showing seemed to reflect year-end strategies to minimize tax liabilities. However, February's robust withholding payments are unlikely to be due to timing. It is more likely the result of Idaho's economy outperforming the Division of Financial Management's projections.

Interestingly, low refunds contributed nearly as much to the individual income tax surplus as did withholding payments. This month's refunds were \$95.5 million, which is \$12.5 million below the forecasted \$108.0 million. For the fiscal year to date, individual income tax refunds are \$19.1 million lower than expected. However, this buffer could be reduced by higher-than-anticipated refunds over the next few months.

Low refunds accounted for the lion's share of this month's \$4.0 million corporate income tax surplus. Specifically, refunds of \$2.3 million were \$3.8 million under the projected \$6.1 million. Filing collections of \$2.3 million were \$1.0 million higher than predicted, but they were offset by estimated payments that were \$1.0 million below the forecasted \$4.5 million. The FY 2018 year-to-date corporate income tax collections of \$114.9 million through February 2018 exceed the forecast by \$15.5 million.

This month's sales tax receipts were up 15.5% from February 2017. This was much higher than the anticipated 8.6% increase. The sales tax contribution to the General Fund in February 2018 was \$103.9 million, which was \$6.3 million more than anticipated. For the fiscal year to date, sales tax receipts of \$1,007.8 million are up 8.1% from the previous year.

Stronger-than-expected interest earnings and insurance premium taxes accounted for virtually the entire \$4.2 million miscellaneous revenue category surplus. This month's strong showing grew the fiscal year-to-date miscellaneous revenue surplus to \$5.7 million.



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Idaho General Fund Collections for February 2018

MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR FEBRUARY						
	<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)	\$47,374.2	\$41,947.6	\$46,123.6	\$16,469.2	Difference	\$29,654.4
Percent Change from Previous Year	8.4%	-11.5%	10.0%	-60.7%	Percent	180.1%
Corporate Income Tax (\$000)	(\$2,511.5)	\$2,964.3	\$3,430.0	(\$605.2)	Difference	\$4,035.1
Percent Change from Previous Year	-166.6%	218.0%	15.7%	-120.4%	Percent	666.8%
Sales Tax (\$000)	\$90,227.1	\$89,947.8	\$103,918.2	\$97,652.9	Difference	\$6,265.3
Percent Change from Previous Year	5.9%	-0.3%	15.5%	8.6%	Percent	6.4%
Product Tax (\$000)	\$3,651.1	\$4,084.0	\$4,192.5	\$4,115.2	Difference	\$77.3
Percent Change from Previous Year	25.8%	11.9%	2.7%	0.8%	Percent	1.9%
Miscellaneous Revenue (\$000)	\$6,773.6	\$7,363.3	\$8,432.9	\$4,192.0	Difference	\$4,240.9
Percent Change from Previous Year	7.0%	8.7%	14.5%	-43.1%	Percent	101.2%
Total (\$000)	\$145,514.5	\$146,307.1	\$166,097.2	\$121,824.2	Difference	\$44,273.0
Percent Change from Previous Year	2.5%	0.5%	13.5%	-16.7%	Percent	36.3%

FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH FEBRUARY						
	<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)	\$944,063.7	\$1,038,786.6	\$1,202,377.7	\$1,096,598.5	Difference	\$105,779.2
Percent Change from Previous Year	4.1%	10.0%	15.7%	5.6%	Percent	9.6%
Corporate Income Tax (\$000)	\$89,483.2	\$111,261.6	\$114,850.3	\$99,363.2	Difference	\$15,487.1
Percent Change from Previous Year	-19.2%	24.3%	3.2%	-10.7%	Percent	15.6%
Sales Tax (\$000)	\$876,650.1	\$932,425.8	\$1,007,789.7	\$1,003,362.3	Difference	\$4,427.4
Percent Change from Previous Year	7.1%	6.4%	8.1%	7.6%	Percent	0.4%
Product Tax (\$000)	\$36,109.1	\$40,900.7	\$40,972.6	\$40,901.3	Difference	\$71.3
Percent Change from Previous Year	12.7%	13.3%	0.2%	0.0%	Percent	0.2%
Miscellaneous Revenue (\$000)	\$50,226.7	\$49,012.6	\$66,271.1	\$60,614.6	Difference	\$5,656.5
Percent Change from Previous Year	9.9%	-2.4%	35.2%	23.7%	Percent	9.3%
Total (\$000)	\$1,996,532.8	\$2,172,387.3	\$2,432,261.3	\$2,300,839.8	Difference	\$131,421.5
Percent Change from Previous Year	4.3%	8.8%	12.0%	5.9%	Percent	5.7%