

# Idaho General Fund Revenue Report

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

DIVISION OF FINANCIAL MANAGEMENT  
Executive Office of the Governor

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Idaho General Fund revenue for August 2018 was \$266.6 million, which is 1.1% above the same month last year. This increase is much lower than the expected 4.6%, causing this month's receipts to fall \$9.4 million (-3.4%) short of the forecasted \$276.0 million. This is the second month this fiscal year that revenue was less than anticipated. It was \$3.3 million low in July 2018. As a result, the fiscal year-to-date collections are \$12.7 million (-2.2%) lower than expected—\$568.3 million versus \$581.0 million.

The individual income tax accounted for this month's shortfall. August's receipts of \$107.0 million were \$23.5 million under the expected \$130.5 million. All other revenue sources either beat or met their projections. Corporate income taxes of \$7.3 million topped the expected \$1.3 million by a healthy \$6.0 million. The sales tax surplus was an even higher \$7.5 million, as actual receipts of \$142.7 million exceeded the forecasted \$135.2 million. Revenue from miscellaneous sources of \$4.5 million was \$0.6 million more than expected. The revenue from product taxes of \$5.0 million was virtually on target, exceeding the forecast by just 0.3%.

A look at the components of the individual income tax reveals withholding payments were the cause of this month's shortfall. They were expected to contribute \$127.0 million in August, but actual receipts of \$102.5 million were \$24.5 million under the predicted amount. This was

the second month this fiscal year that withholding payments were noticeably short. They were down \$17.8 million in July.

The two months of shortfalls to the General Fund's largest and most reliable revenue source is inconsistent with the Gem State's healthy job market. The local unemployment rate is 2.9%. The monthly shortfalls may result from the income tax reductions (H0463 and H0675) that were passed this winter. The impacts of the individual income tax reductions may have been underestimated. Another possibility lies with the new withholding tables. These tables are designed to withhold enough taxes during the year to fund a taxpayer's actual tax liability. The recent individual income tax changes complicated this task, possibly resulting in tables leading to under withholding. This could account for the lower-than-expected payments so far this fiscal year. Under this scenario individual income taxes would be postponed but not lost. Lower-than-expected monthly withholding payments would then be offset by higher-than-expected filing payments and lower-than-anticipated refunds in the spring of 2019 when taxpayers file their 2018 Idaho tax returns.

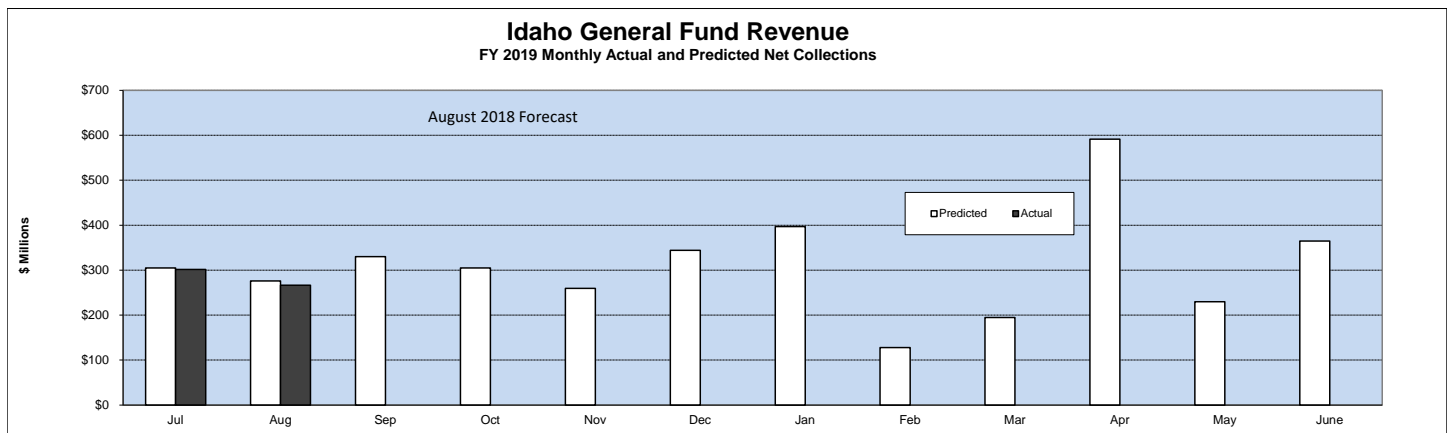
Individual income tax filing collections of \$10.6 million were much closer to its target than were withholding payments, coming in just \$0.9 million above the forecast. Refunds of \$6.0 million were about \$0.1 million lower than expected. Total individual income tax receipts so far this

fiscal year are \$219.9 million, which is \$37.5 million below the forecast.

Corporate income tax receipts are more than double what they were by August 2017. Estimated tax payments contributed the most to this month's corporate income surplus, coming in \$7.2 million higher than expected—\$8.4 million versus \$1.3 million. This amount was slightly offset by lower-than-expected filing collections and higher-than-expected refunds. Filing collections of \$1.4 million were about \$1.0 million lower than anticipated. Refunds were \$0.3 million higher than the forecasted \$2.1 million. For the fiscal year to date, corporate income tax receipts are \$19.1 million, which is \$11.6 million higher than the predicted \$7.5 million.

Sales tax receipts grew stronger than anticipated in August, advancing at a nearly 10% pace instead of the projected 4.2% clip. The amount contributed to the General Fund this month was \$142.7 million, which was \$7.5 million more than the forecast \$135.2 million. Fiscal year-to-date sales tax receipts are \$283.4 million, which is \$7.8 million more than projected \$275.6 million.

Fiscal year-to-date collections from product taxes are \$16.7 million, which is very close to the predicted amount. Revenue from miscellaneous sources so far this fiscal year is \$29.1 million, which is \$5.5 million more than the forecasted amount



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

Idaho Division of Financial Management • 304 North 8<sup>th</sup> Street • PO Box 83720 • Boise, Idaho 83720-0032 • 208-334-3900

# Idaho General Fund Collections for August 2018

<b>MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR AUGUST</b>					
	<i>Actual FY 2017</i>	<i>Actual FY 2018</i>	<i>Actual FY 2019</i>	<i>Predicted FY 2019</i>	<i>Forecast Performance FY 2019</i>
					<i>(Actual versus Predicted)</i>
<b>Individual Income Tax (\$000)</b>	\$121,473.0	\$124,055.0	\$106,983.1	\$130,518.3	<b>Difference</b> <span style="color: red;">(\$23,535.2)</span>
<b>Percent Change from Previous Year</b>	3.4%	2.1%	-13.8%	5.2%	<b>Percent</b> -18.0%
<b>Corporate Income Tax (\$000)</b>	\$3,016.8	\$2,037.6	\$7,336.4	\$1,319.7	<b>Difference</b> \$6,016.7
<b>Percent Change from Previous Year</b>	203.9%	-32.5%	260.1%	-35.2%	<b>Percent</b> 455.9%
<b>Sales Tax (\$000)</b>	\$119,902.1	\$129,828.4	\$142,737.0	\$135,223.6	<b>Difference</b> \$7,513.4
<b>Percent Change from Previous Year</b>	6.1%	8.3%	9.9%	4.2%	<b>Percent</b> 5.6%
<b>Product Tax (\$000)</b>	\$4,250.2	\$4,478.0	\$5,014.5	\$5,000.7	<b>Difference</b> \$13.9
<b>Percent Change from Previous Year</b>	8.5%	5.4%	12.0%	11.7%	<b>Percent</b> 0.3%
<b>Miscellaneous Revenue (\$000)</b>	\$1,918.7	\$3,304.5	\$4,536.3	\$3,902.9	<b>Difference</b> \$633.4
<b>Percent Change from Previous Year</b>	103.6%	72.2%	37.3%	18.1%	<b>Percent</b> 16.2%
<b>Total (\$000)</b>	\$250,560.8	\$263,703.5	\$266,607.3	\$275,965.1	<b>Difference</b> <span style="color: red;">(\$9,357.8)</span>
<b>Percent Change from Previous Year</b>	6.0%	5.2%	1.1%	4.6%	<b>Percent</b> -3.4%

<b>FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH AUGUST</b>					
	<i>Actual FY 2017</i>	<i>Actual FY 2018</i>	<i>Actual FY 2019</i>	<i>Predicted FY 2019</i>	<i>Forecast Performance FY 2019</i>
					<i>(Actual versus Predicted)</i>
<b>Individual Income Tax (\$000)</b>	\$241,487.4	\$256,077.3	\$219,889.8	\$257,371.6	<b>Difference</b> <span style="color: red;">(\$37,481.8)</span>
<b>Percent Change from Previous Year</b>	9.0%	6.0%	-14.1%	0.5%	<b>Percent</b> -14.6%
<b>Corporate Income Tax (\$000)</b>	\$9,544.5	\$8,438.3	\$19,131.0	\$7,518.9	<b>Difference</b> \$11,612.0
<b>Percent Change from Previous Year</b>	66.6%	-11.6%	126.7%	-10.9%	<b>Percent</b> 154.4%
<b>Sales Tax (\$000)</b>	\$247,519.5	\$264,686.0	\$283,414.0	\$275,639.5	<b>Difference</b> \$7,774.5
<b>Percent Change from Previous Year</b>	6.9%	6.9%	7.1%	4.1%	<b>Percent</b> 2.8%
<b>Product Tax (\$000)</b>	\$14,756.1	\$15,220.5	\$16,749.7	\$16,766.9	<b>Difference</b> <span style="color: red;">(\$17.3)</span>
<b>Percent Change from Previous Year</b>	13.4%	3.1%	10.0%	10.2%	<b>Percent</b> -0.1%
<b>Miscellaneous Revenue (\$000)</b>	\$16,998.9	\$29,563.7	\$29,135.8	\$23,678.7	<b>Difference</b> \$5,457.1
<b>Percent Change from Previous Year</b>	-15.6%	73.9%	-1.4%	-19.9%	<b>Percent</b> 23.0%
<b>Total (\$000)</b>	\$530,306.4	\$573,985.8	\$568,320.3	\$580,975.6	<b>Difference</b> <span style="color: red;">(\$12,655.4)</span>
<b>Percent Change from Previous Year</b>	7.8%	8.2%	-1.0%	1.2%	<b>Percent</b> -2.2%