



Idaho General Fund Revenue Report

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Idaho General Fund receipts for FY 2019 were slightly lower than projected. Collections for the fiscal year were expected to be \$3,750.3 million, which was a 0.5% increase from FY 2018. This gradual pace anticipated the first-year impacts of across the board individual and corporate income tax rate reductions and the new Idaho Child Income Tax Credit that were introduced in CY 2018. They were estimated to reduce FY 2019 General Fund revenue by \$226.9 million. Actual FY 2019 General Fund receipts grew just 0.1% from the previous year to \$3,734.6 million, which is \$15.7 million (-0.4%) less than expected. The last time collections fell under the forecast was in FY 2010, when they were short \$84.7 million.

This year's small shortfall resulted from offsets among the three major revenue categories. The individual income tax experienced a \$112.7 million (-6.4%) shortfall. The impact of this shortfall was more than halved by the corporate income tax \$60.0 million surplus. The shortfall was further reduced by the \$22.1 million sales tax surplus. The miscellaneous revenue receipts also helped reduce the fiscal year's shortfall by coming in \$15.4 million higher than expected.

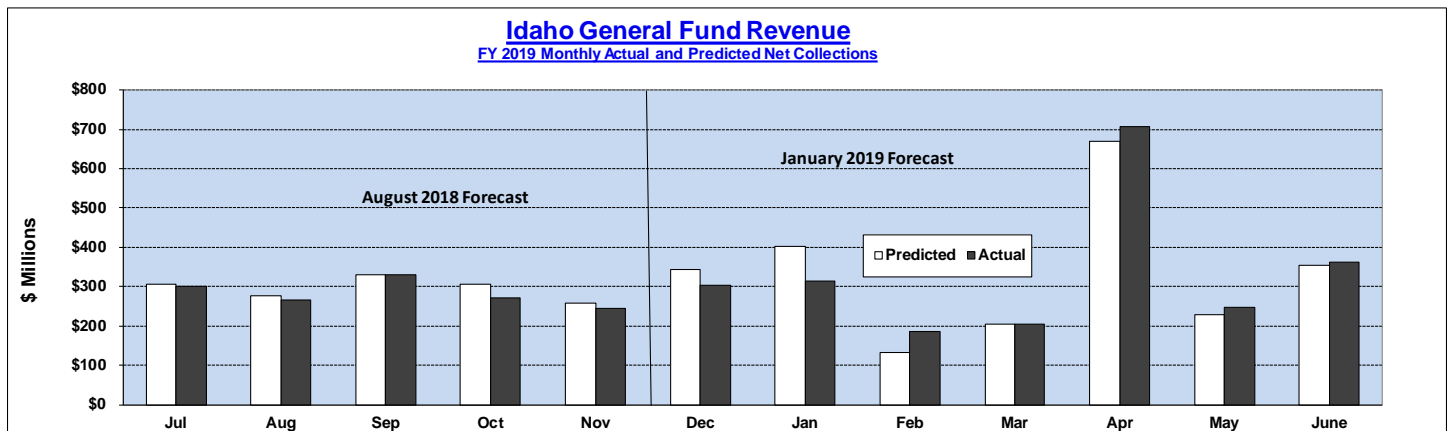
Individual income tax withholding collections of \$1,260.3 million were \$119.8 million under its FY 2019 projection. This was expected by January, as withholding collections were below their targets in each month of this fiscal year. These monthly shortfalls reflect under withholding due to the slow adoption of the revised withholding tables. These shortfalls were expected to be offset by higher filing payments and lower refunds by the end of the fiscal year. They were not. Individual income tax filing payments of \$743.6 million were \$65.0 million under the projected \$808.5 million. However, a portion of the deficit was erased by refunds that were \$71.4 million lower than predicted, \$333.7 million versus \$405.1 million.

Corporate income tax receipts of \$283.2 million beat the previous record of \$238.7 million that was set last year. This is more remarkable given the corporate income tax rate reduction. The new record was \$60.0 million (26.9%) higher than the predicted \$223.2 million. Nearly three-quarters of this surplus reflects corporate estimated payments that exceeded projections by \$44.0 million—\$234.5 million versus \$190.5 million. The surplus was further boosted by refunds that were \$16.0 million lower than the anticipated \$39.7 million.

Corporate filing collections for the year of \$74.1 million were virtually on target.

The sales tax contribution to the General Fund came the nearest to its forecast of any of the three large revenue categories. Specifically, receipts of \$1,597.7 million for the fiscal year were \$22.1 million (1.4%) above the forecasted \$1,575.6 million. This year's sales tax revenue increased 7.2% from FY 2018, which was faster than the projected 5.7% pace. This year's faster clip reflects a decline to the Demonstration Pilot Project distribution. This distribution is used to reimburse private developers for their funding of public infrastructure investments. A major project was paid off in FY 2019. As a result, the Demonstration Pilot Program distribution fell from \$10.1 million in FY 2018 to \$3.1 million in FY 2019—a 70% drop. This increased the contribution to the General Fund.

Miscellaneous revenue receipts of \$128.3 million were \$15.4 million above the projection. This surplus resulted from insurance premium taxes and transfers that exceeded expectations. Product tax revenue for FY 2019 was \$64.3 million, which was about \$0.5 million less than predicted.



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Idaho General Fund Collections for June 2019

MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR JUNE					
	<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>
Individual Income Tax (\$000)	\$117,771.6	\$114,521.7	\$118,096.2	\$137,749.2	Difference (\$19,653.0)
Percent Change from Previous Year	13.2%	-2.8%	3.1%	20.3%	Percent -14.3%
Corporate Income Tax (\$000)	\$30,491.1	\$37,814.5	\$37,277.8	\$26,748.2	Difference \$10,529.6
Percent Change from Previous Year	0.9%	24.0%	-1.4%	-29.3%	Percent 39.4%
Sales Tax (\$000)	\$127,225.6	\$135,132.0	\$141,831.3	\$135,663.6	Difference \$6,167.7
Percent Change from Previous Year	12.0%	6.2%	5.0%	0.4%	Percent 4.5%
Product Tax (\$000)	\$4,385.0	\$4,523.6	\$4,779.9	\$5,007.8	Difference (\$227.9)
Percent Change from Previous Year	5.8%	3.2%	5.7%	10.7%	Percent -4.6%
Miscellaneous Revenue (\$000)	\$70,484.5	\$54,739.2	\$59,194.3	\$49,588.1	Difference \$9,606.2
Percent Change from Previous Year	-8.0%	-22.3%	8.1%	-9.4%	Percent 19.4%
Total (\$000)	\$350,357.8	\$346,730.9	\$361,179.4	\$354,756.8	Difference \$6,422.6
Percent Change from Previous Year	6.6%	-1.0%	4.2%	2.3%	Percent 1.8%

FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH JUNE					
	<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>
Individual Income Tax (\$000)	\$1,651,195.6	\$1,828,281.7	\$1,661,130.2	\$1,773,800.3	Difference (\$112,670.1)
Percent Change from Previous Year	9.1%	10.7%	-9.1%	-3.0%	Percent -6.4%
Corporate Income Tax (\$000)	\$214,020.1	\$238,708.5	\$283,162.7	\$223,180.9	Difference \$59,981.9
Percent Change from Previous Year	14.5%	11.5%	18.6%	-6.5%	Percent 26.9%
Sales Tax (\$000)	\$1,382,418.2	\$1,490,015.4	\$1,597,703.6	\$1,575,564.0	Difference \$22,139.7
Percent Change from Previous Year	6.1%	7.8%	7.2%	5.7%	Percent 1.4%
Product Tax (\$000)	\$58,093.7	\$58,299.3	\$64,278.1	\$64,814.8	Difference (\$536.7)
Percent Change from Previous Year	12.1%	0.4%	10.3%	11.2%	Percent -0.8%
Miscellaneous Revenue (\$000)	\$131,958.4	\$116,301.4	\$128,331.0	\$112,960.7	Difference \$15,370.3
Percent Change from Previous Year	2.4%	-11.9%	10.3%	-2.9%	Percent 13.6%
Total (\$000)	\$3,437,685.9	\$3,731,606.3	\$3,734,605.7	\$3,750,320.6	Difference (\$15,714.9)
Percent Change from Previous Year	8.0%	8.5%	0.1%	0.5%	Percent -0.4%