



Idaho General Fund Revenue Report

Brad Little, Governor
Alex J. Adams, Administrator

Division of Financial Management
Executive Office of the Governor

July report issued October 20, 2023

VOLUME XLVI NO. 2

July opens the new fiscal year, and with it a **new** revenue forecast. New income tax rates (**HB1**), changes to sales tax distributions (**HB292**), and other law changes are included in the forecast. New withholding tables are **available**.

For the first three months of the fiscal year we will only report on the three largest sources of tax revenue: individual, sales, and corporate. The state's ongoing efforts to modernize its reporting capabilities require more time before we can report on product and miscellaneous general fund revenue.

Total general fund revenue, for all tax types, is estimated at \$5.50 billion, based upon Moody's July forecast for the US economy. The prior year brought \$5.95 billion to the general fund. The year before saw \$6.2 billion. General fund revenue is expected to fall this fis-

cal year because of income tax-rate cuts along with new sales tax distributions.

Beginning this fiscal year, **HB1** redirects \$102.5 million in sales tax revenue each Jul., Oct., Jan., and Apr., totaling \$410 million. **HB292** also added two new and ongoing sources of property tax relief through a sales tax distribution. Together we expect all three of these to redirect \$527.8 million in sales tax funds for the fiscal year.

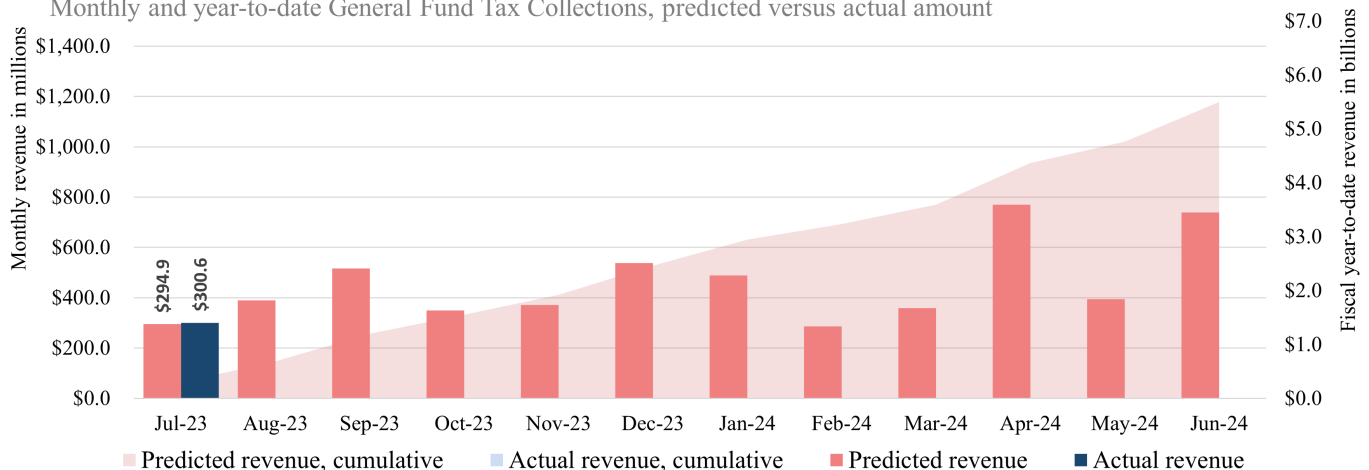
Individual income taxes are expected to bring in \$2.22 billion. Last year they brought in \$2.15 billion. The prior year they brought \$2.6 billion. Use of SALT work-around payments, **HB317**, are a major re-distributor in terms of the monthly balance of payments. The forecast expected \$159.5 million in July and actual accruals were \$173.3 million.

Sales taxes are expected to bring in \$1.89 billion to the general fund. Last year they brought in \$2.3 billion and \$2.2 billion in the year prior. The forecast expected \$108.7 million in July and actual collections came in at \$108.8 million. New distributions for July amounted to \$113.6 million from the sales tax revenue stream to funds other than the general fund.

Corporate tax revenue was \$1.03 billion this past year, not far from the \$1.02 billion for the year prior to that. The forecast is for \$0.97 billion. Corporate tax rates were cut via **HB1**. Moody's expects corporate profits to decline in FY 2023 and FY 2024 and only return to FY 2022 values in FY 2026. The forecast expected \$26.7 million in July and actual collections were behind that at \$18.5 million, a miss of over 30 percent.

Idaho General Fund Revenue, FY 2024

Monthly and year-to-date General Fund Tax Collections, predicted versus actual amount



Predicted and Actual General Fund revenues, thousand dollars

	Month						
	Jul. 2021	Jul. 2022	July, 2023				
	actual	actual	predicted	actual	diff *	% diff **	% ch ***
Individual Income Tax	146,109.6	149,000.7	159,456.5	173,270.9	13,814.4	8.7%	16.3%
Sales Tax	192,719.1	214,549.6	108,728.9	108,844.2	115.3	0.1%	-49.3%
Corporate Income Tax	20,141.5	21,981.3	26,702.2	18,527.8	(8,174.4)	-30.6%	-15.7%
Total	358,970.3	385,531.5	294,887.5	300,642.9	5,755.3	2.0%	-22.0%

	Fiscal YTD						
	Jul. 2021	Jul. 2022	July, 2023				
	actual	actual	predicted	actual	diff *	% diff **	% ch ***
Individual Income Tax	146,109.6	149,000.7	159,456.5	173,270.9	13,814.4	8.7%	16.3%
Sales Tax	192,719.1	214,549.6	108,728.9	108,844.2	115.3	0.1%	-49.3%
Corporate Income Tax	20,141.5	21,981.3	26,702.2	18,527.8	(8,174.4)	-30.6%	-15.7%
Total	358,970.3	385,531.5	294,887.5	300,642.9	5,755.3	2.0%	-22.0%

* difference between predicted and actual

** percentage difference between predicted and actual

*** percentage change from current year and previous year

Prepared by Greg Piepmeyer, Chief Economist, and Matthew Hurt, Economist.

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