General and Education Fund revenue collections totaled $4.3 billion through the first seven months of FY 2020, representing a year-over-year (YoY) growth rate of 7.6%. The 7.6% growth rate is above the November consensus revenue target of 4.3%. The increase from 6.4% to 7.6% in January was the largest month-over-month jump of the year so far. A portion of the apparent GF/EF increase this month may be due to timing of quarterly payments. This growth rate may moderate over time.

In the first seven months of FY 2020 revenue to the General Fund reached $1.7 billion—a growth rate of 6.8%. That exceeds the consensus target of 4.7%. Sales tax revenue is growing at a 7.0%, up from last month’s 6.7% and above November’s target of 5.1%. If held over the remainder of the fiscal year, the higher sales tax growth rate represents a $40 million increase to the GF. Part of this may stem from increased collection of sales tax on online transactions, but another part is the hot economy.

Education Fund collections through the first seven months of FY 2020 reached $2.6 billion, representing a YoY increase of 8.1%. The 8.1% growth rate is largely resulted from individual income tax growth of 10.5% offset by weak, but on-target, corporate tax payments. Behind the strong income tax growth is net final tax payments. The timing of final payments may be skewing collections higher this month. Final payments will become clearer after April 15th.

Transportation Fund collections reached $360 million through the first seven months of FY 2020, up 3.1% over the prior year. This is lower than the 4.5% annual target. Behind the performance of the Transportation Fund, motor fuel tax is currently up 1.7% compared with an expected annual YoY rate of 4.2%. Special fuel is currently up 7.2%, while all the other sources to the Transportation Fund are growing at 1.7%. All three sources strengthened compared to December’s growth rates.