

# MONTHLY STATE REVENUE SNAPSHOT

3 | 2020

based on the Utah State Tax Commission Monthly Revenue Summary (Report TC-23)

General Fund	Projected Growth		Projected Range in Collections Through 8 Months	Actual Collections	Condition	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
	Rate - February Estimates (Annual)	Actual Growth Rate									
Sales & Use Tax	6.6%	7.0%	\$1,548,000,000 - \$1,566,000,000	\$1,559,851,695	On target	4.3%	4.2%	5.7%	6.7%	7.0%	7.0%
All Other Sources	4.4%	7.3%	\$285,000,000 - \$348,000,000	\$339,784,846	On target	5.5%	3.4%	0.2%	4.9%	5.9%	7.3%
<b>Subtotal General Fund</b>	<b>6.2%</b>	<b>7.0%</b>		<b>\$1,899,636,541</b>		<b>4.5%</b>	<b>4.1%</b>	<b>4.6%</b>	<b>6.3%</b>	<b>6.8%</b>	<b>7.0%</b>
Sales & Use Tax Set-Asides	16.8%	25.4%	\$450,000,000 - \$467,000,000	\$545,356,726	See Note 1	18.5%	22.0%	21.2%	22.1%	24.8%	25.4%
<b>Education Fund/USF</b>											
Individual Income Tax	7.3%	8.9%	\$2,222,000,000 - \$2,571,000,000	\$2,549,829,064	On target	8.1%	11.3%	10.9%	10.0%	10.5%	8.9%
Corporate Tax	-8.4%	-14.1%	\$203,000,000 - \$252,000,000	\$213,334,839	On target	-29.5%	-28.6%	-34.9%	-18.5%	-12.6%	-14.1%
All Other Sources	-6.4%	-12.2%	\$17,000,000 - \$23,000,000	\$17,700,665	On target	-15.7%	-9.5%	-4.0%	-10.3%	-7.9%	-12.2%
<b>Subtotal Education Fund</b>	<b>5.5%</b>	<b>6.5%</b>		<b>\$2,780,864,568</b>		<b>2.9%</b>	<b>6.6%</b>	<b>6.2%</b>	<b>6.5%</b>	<b>8.1%</b>	<b>6.5%</b>
<b>Subtotal GF/EF</b>	<b>5.7%</b>	<b>6.7%</b>		<b>\$4,680,501,109</b>		<b>3.6%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>6.4%</b>	<b>7.6%</b>	<b>6.7%</b>
<b>Transportation Fund</b>											
Motor Fuel Tax	4.4%	1.8%	\$235,000,000 - \$253,000,000	\$243,198,993	On target	-2.0%	2.2%	-0.8%	-0.4%	1.7%	1.8%
Special Fuel Tax	5.1%	6.3%	\$94,000,000 - \$104,000,000	\$101,811,899	On target	10.5%	15.1%	8.6%	6.0%	7.2%	6.3%
Other	6.4%	7.8%	\$60,000,000 - \$67,000,000	\$66,203,000	On target	15.4%	0.9%	0.1%	1.0%	1.7%	7.8%
<b>Subtotal Transportation Fund</b>	<b>4.9%</b>	<b>3.8%</b>		<b>\$411,213,892</b>		<b>3.6%</b>	<b>5.1%</b>	<b>1.6%</b>	<b>1.4%</b>	<b>3.1%</b>	<b>3.8%</b>
<b>Total, GF/EF/USF/TF</b>	<b>5.7%</b>	<b>6.5%</b>		<b>\$5,091,715,001</b>		<b>3.6%</b>	<b>5.5%</b>	<b>5.2%</b>	<b>6.0%</b>	<b>7.2%</b>	<b>6.5%</b>

Note 1: The sales tax set-aside figure includes revenue from the recently enacted Medicaid sales tax increase of 0.15%.

## SUMMARY

General and Education Fund revenue collections totaled \$4.7 billion through the first eight months of FY 2020, representing a year-over-year (YoY) growth rate of 6.7%. The 6.7% growth rate is above the February consensus revenue target of 5.7%. The month saw a decline in growth from 7.6% to 6.7% in February, largely the result of a decline in the income tax growth rate from 10.5% to 8.9%. All of major revenue source categories held generally stable. Of note, early impacts to revenue from the coronavirus would likely begin to show up in late April/early May revenue collections. Prior to filings due at that time, economy-watchers may want to follow the near real-time unemployment insurance claims for any evidence of the national or Utah economy slowing (or accelerating).

## GENERAL FUND

Through the first eight months of FY 2020 revenue to the General Fund reached \$1.9 billion—a growth rate of 7.0%. That exceeds the consensus target of 6.2%. Sales tax revenue is growing at a 7.0%, unchanged from last month's figure and above February's target of 6.6%. Part of the strong sales tax performance may stem from increased collection of sales tax on online transactions, but another part is the up-to-now healthy economy. That health may weaken due to coronavirus concerns. Any effects from coronavirus contagion on sales tax revenue may begin to show up late next month.

## EDUCATION FUND

Education Fund collections through the first eight months of FY 2020 reached \$2.8 billion, representing a YoY increase of 6.5%. The 6.5% growth rate was largely the result of individual income tax growth of 8.9% and being offset by weak, but on-target, corporate tax payments. As with sales tax, any effects from the coronavirus will begin to show up in late April/early May.

## TRANSPORTATION FUND

Transportation Fund collections reached \$411 million through the first eight months of FY 2020, up 3.8% over the prior year. This is lower than the 4.9% annual target. Should the coronavirus lead to less travel, the effects will show up in April/May.

