Summary

General and Education Fund revenue collections totaled $5.2 billion through the first nine months of FY 2020, representing a year-over-year (YoY) growth rate of 6.0%. The 6.0% growth rate is above the February consensus revenue target of 5.7%. However, in the past two months, YoY growth has declined from 7.6% to 6.0%. Of note, this month’s report is the last report reflecting collections prior to implementation of various coronavirus-related public health measures. 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 further evidence of the national or Utah economy slowing (or accelerating).

General Fund

Through the first nine months of FY 2020 revenue to the General Fund reached $2.1 billion—a growth rate of 6.9%. That exceeds the consensus target of 6.2%. Sales tax revenue grew at 7.0%, unchanged over the past three months. However, due to reporting and remitting lags, this month’s report does not reflect sales tax collections after public health orders were enacted in many parts of the state. Any effects from coronavirus contagion on sales tax revenue will begin to show up in next month’s revenue update.

Education Fund

Education Fund collections through the first nine months of FY 2020 reached $3.1 billion, representing a YoY increase of 5.4%. The 5.4% growth rate was largely the result of individual income tax growth of 7.3% 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. Additionally, the effects of the delayed income tax filing deadline are beginning to show up.

Transportation Fund

Transportation Fund collections reached $463 million through the first nine months of FY 2020, up 3.2% over the prior year. This is lower than the 4.9% annual target. The effects of the coronavirus will show up in May and June revenue snapshots.