

MONTHLY STATE REVENUE SNAPSHOT FY 2022

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

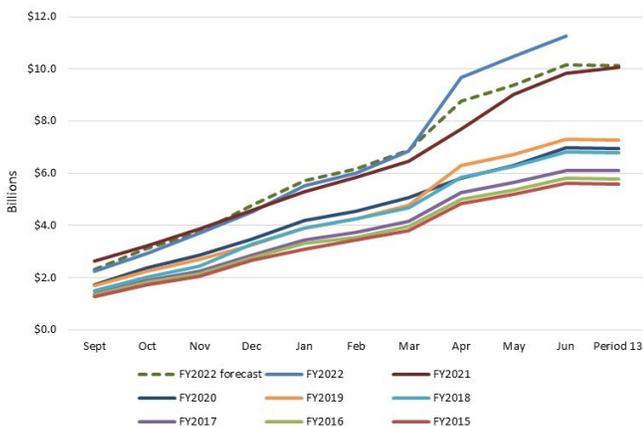
| General Fund | Projected Growth Rate - February | Actual Growth Rate | Projected Range in Collections Through 12 Months | Actual Collections | Condition | Forecast | 22-Feb | 22-Mar | 22-Apr | 22-May | 22-Jun |
|---|----------------------------------|--------------------|--|-------------------------|--------------------|-----------------|--------------|--------------|--------------|--------------|--------------|
| | Estimates (Annual) | Rate | | | | | | | | | |
| Sales & Use Tax | 13.6% | 17.5% | \$2,712,000,000 - \$3,315,000,000 | \$3,118,781,616 | On target | \$2,981,794,549 | 20.0% | 20.3% | 19.1% | 18.8% | 17.5% |
| All Other Sources | 4.8% | 27.8% | \$478,000,000 - \$585,000,000 | \$648,528,363 | Above target range | \$588,939,299 | 16.6% | 17.8% | 17.8% | 27.1% | 27.8% |
| Subtotal General Fund | 12.6% | 19.2% | | \$3,767,309,979 | | | 19.4% | 19.8% | 18.9% | 20.1% | 19.2% |
| Sales & Use Tax Set-Asides | 12.4% | 19.0% | \$909,000,000 - \$1,111,000,000 | \$1,069,394,131 | On target | \$1,044,943,971 | 19.4% | 19.3% | 19.8% | 18.7% | 19.0% |
| Education Fund/Uniform School Fund | | | | | | | | | | | |
| Individual Income Tax | -5.1% | 10.8% | \$5,230,000,000 - \$6,392,000,000 | \$6,781,887,436 | Above target range | \$5,787,974,286 | -8.9% | -5.1% | 28.7% | 12.8% | 10.8% |
| Corporate Tax | -2.8% | 26.4% | \$651,000,000 - \$796,000,000 | \$940,558,286 | Above target range | \$718,915,829 | 30.1% | 34.0% | 28.6% | 28.7% | 26.4% |
| All Other Sources | 3.8% | 107.6% | \$27,000,000 - \$32,000,000 | \$58,938,956 | Above target range | \$58,827,111 | 174.6% | 186.0% | 73.1% | 136.0% | 107.6% |
| Subtotal Education Fund | -4.6% | 12.8% | | \$7,781,384,678 | | | -5.2% | -1.1% | 28.8% | 14.8% | 12.8% |
| Subtotal GF/EF | 0.6% | 14.3% | | \$11,548,694,657 | | | 3.0% | 6.0% | 25.7% | 16.0% | 14.3% |
| Transportation Fund | | | | | | | | | | | |
| Motor Fuel Tax | 6.0% | 4.5% | \$357,000,000 - \$436,000,000 | \$390,767,065 | On target | \$402,439,824 | 5.7% | 6.5% | 5.4% | 5.9% | 4.5% |
| Special Fuel Tax | -2.2% | -1.9% | \$144,000,000 - \$176,000,000 | \$160,440,407 | On target | \$168,105,276 | 0.0% | 1.1% | -2.5% | 3.0% | -1.9% |
| Other | 5.1% | 5.3% | \$105,000,000 - \$128,000,000 | \$116,460,522 | On target | \$120,374,120 | 6.4% | 4.9% | 7.2% | 6.1% | 5.3% |
| Subtotal Transportation Fund | 3.7% | 3.0% | | \$667,667,994 | | | 4.4% | 4.9% | 3.7% | 5.2% | 3.0% |
| Total, GF/EF/USF/TF | 0.8% | 13.6% | | \$12,216,362,651 | | | 3.1% | 5.9% | 24.3% | 15.3% | 13.6% |

SUMMARY

In preliminary FY 2022 year-end numbers, revenue to the General and Education Funds was over \$11.5 billion, which represents a year-over-year (YoY) increase of 14.3%, compared to a target rate of 0.6%. When adjusting for the 2020 filing shift, the target GF/EF growth rate is 9.3%, compared to a shift-adjusted growth rate of 24.3%. Final revenue numbers will be determined in the coming months, as year-end transfers, final allocations, and other adjustments occur; thus, this snapshot should not be used to deduce the FY 2022 surplus.

Economic uncertainty was the hallmark of this fiscal year. While collections remained high and above expectations throughout the course of the year, volatility heightened for many reasons: enduring and rising inflation, supply chain shocks due to factors including the Russian invasion of Ukraine and additional COVID variants, increasing Fed rate hikes, record-low consumer confidence, and now softening in the housing market. While the onset of a recession is not guaranteed, it is likely that this volatile economy and the tapering effects of federal stimulus will be reflected in subdued collections in the coming year.

GF/EF Collections



GENERAL FUND

General Fund collections totaled over \$3.7 billion in FY 2022, growing 19.2% YoY, compared to the targeted growth rate of 12.6%. Sales tax collections moderated significantly in the last month of the year, likely a reflection of high inflation, changes in purchasing behaviors, as consumers shift back toward services, and base effects resulting from last fiscal year's stimulus-bolstered sales tax collections. While Utah's consumer confidence remains nearly 15 points higher than national confidence, it has declined since April, signaling that early FY 2023 collections may continue to moderate from the past year's high levels.

EDUCATION FUND

Education Fund collections reached nearly \$7.8 billion in FY 2022, representing a YoY increase of 12.8%, compared to the target rate of -4.6%. When adjusting for the 2020 filing delay, which pushed a large amount of collections from FY 2020 to FY 2021, the growth rate is 27.6%, compared to an adjusted target of 7.8%. Income tax final payments were strong this year, in part resulting from an unusually high level of capital gains, attributed to 2021's strong stock market and housing market performance, as well as strong business income and corporate profits. However, considering the stock market's descent to a bear market and faltering in the housing market due to increasing interest rates and inflation, FY 2023's growth is poised to moderate.

TRANSPORTATION FUND

Transportation Fund collections totaled nearly \$668 million in FY 2022, representing a below-target YoY growth rate of 3.0%, compared to the target rate of 3.7%. Both motor fuel and special fuel tax collections moderated significantly in the past month, likely due to high gas prices and demand destruction. However, the price per barrel has declined from an early June high of \$122 to \$94 in mid-July. If this trend continues, collections could be set to pick up again in coming months, particularly as the summer travel season continues.

A Joint Publication of:

Office of the
Legislative Fiscal Analyst



GOVERNOR'S OFFICE OF
Planning & Budget

July 15, 2022