

MONTHLY STATE REVENUE SNAPSHOT Nov 2022

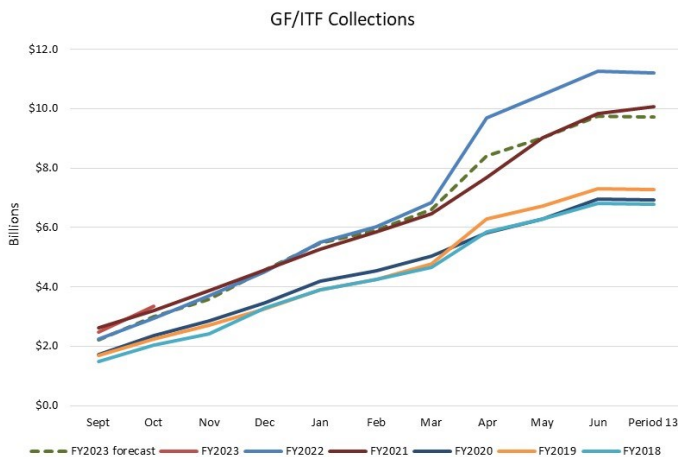
based on the Utah State Tax Commission Monthly Revenue Summary (Report TC-23)

General Fund	Projected Growth Rate - February Estimates (Annual)	YoY Growth Rate	Projected Range in Collections Through 4 Months	Actual Collections	Year-End Forecast	22-May	22-Jun	22-Oct	22-Nov
Sales & Use Tax	-5.0%	12.8%	\$883,000,000 - \$1,079,000,000	\$1,188,008,922	\$2,832,961,188	18.8%	18.0%	13.5%	12.8%
All Other Sources	4.8%	23.7%	\$195,000,000 - \$239,000,000	\$248,220,147	\$570,220,505	27.1%	13.6%	36.5%	23.7%
Subtotal General Fund	-4.7%	14.5%		\$1,436,229,069	\$3,403,181,694	20.1%	17.3%	16.8%	14.5%
Sales & Use Tax Set-Asides	-0.9%	11.2%	\$323,000,000 - \$395,000,000	\$372,725,667	\$1,034,906,067	18.7%	17.1%	10.3%	11.2%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	-1.0%	20.9%	\$2,011,000,000 - \$2,458,000,000	\$1,846,165,251	\$5,730,920,399	12.8%	10.8%	11.1%	20.9%
Corporate Tax	-26.4%	-26.7%	\$207,000,000 - \$253,000,000	\$153,324,772	\$529,066,843	28.7%	26.2%	-2.6%	-26.7%
All Other Sources	5.1%	44.3%	\$30,000,000 - \$37,000,000	\$22,583,416	\$61,827,082	136.0%	192.5%	107.4%	44.3%
Subtotal Income Tax Fund	-3.7%	15.4%		\$2,022,073,439	\$6,321,814,325	14.8%	13.3%	9.8%	15.4%
Subtotal GF/ITF/USF	-4.1%	14.2%		\$3,458,302,508	\$9,724,996,019	16.0%	11.3%	11.1%	14.2%
Transportation Fund									
Motor Fuel Tax	4.9%	0.1%	\$126,000,000 - \$154,000,000	\$130,778,529	\$422,319,147	5.9%	5.2%	-6.6%	0.1%
Special Fuel Tax	5.9%	10.7%	\$55,000,000 - \$67,000,000	\$56,727,115	\$177,970,688	3.0%	1.1%	14.0%	10.7%
Other	5.4%	7.0%	\$38,000,000 - \$47,000,000	\$37,881,959	\$126,874,667	6.1%	6.0%	8.0%	7.0%
Subtotal Transportation Fund	5.2%	3.7%		\$225,387,603	\$727,164,502	5.2%	4.3%	0.2%	3.7%
Total, GF/ITF/USF/TF	-3.5%	13.5%		\$3,683,690,111	\$10,452,160,521	15.3%	10.9%	10.4%	13.5%

SUMMARY

In the first four months of FY 2023, revenue to the General and Income Tax Funds was over \$3.4 billion, which represents a year-over-year (YoY) increase of 14.2%, compared to a target rate of -4.1%. State economists are in the process of re-estimating revenue for FY 2023 and FY 2024; next month's snapshot will reflect the new targets and updated growth rates.

Final numbers for the FY2022 surplus indicate collections above the revenue estimates of approximately \$130 million in the General Fund and approximately \$1.2 billion in the Income Tax Fund, for a total one-time surplus of approximately \$1.4 billion. The General Fund surplus was bolstered by inflation, excess savings, and shifted consumption habits that have begun normalizing. The Income Tax Fund surplus is primarily due to extremely high final payments from the 2021 tax year, due to strength in the housing and stock markets during that period.



GENERAL FUND

General Fund collections totaled over \$1.4 billion in the first four months of FY 2023, growing 14.5% YoY, compared to the targeted growth rate of -4.7%. Sales tax collections continue their strong showing, well above the consensus growth rate. While inflation appears to have peaked, the still-high rate will continue to prop up sales tax collections in the coming months. The strong growth rate also owes to accelerating growth in investment income, which posts 842% year-over growth and has already exceeded the year-end target, due to rising interest rates. Additionally, oil and gas severance tax shows 216% year-over growth and has collected almost 73% of the projected year-end total, due to increased production resulting from high petroleum prices.

INCOME TAX FUND

Income Tax Fund collections reached over \$1.8 billion in the first four months of FY 2023, representing a YoY increase of 14.2%, compared to the target rate of -3.7%. Individual income tax collections accelerated to 20.9% year-over growth in October, but corporate collections have dropped to near the consensus growth rate of -26.4%. Individual income tax collections experienced bumps in both withholding and final payments in the past month. Withholding has returned to trend level, although it is showing much higher in this report due to a timing issue which should be resolved in subsequent reports. Final payments could be elevated due to tax year 2021 extension return payments, and will likely normalize as the tax year 2022 filing season begins.

TRANSPORTATION FUND

Transportation Fund collections totaled over \$225 million in the first four months of FY 2023, representing a YoY growth rate of 3.7%, compared to the target rate of 5.2%. The special fuel tax remains strong, growing 10.7% year-over. Additionally, motor fuel tax is posting positive growth for the first time this fiscal year, at 0.1% year-over growth after last month's -6.6%. As average gas prices have dropped by over a dollar per gallon from their summertime high, the demand destruction that was reflected earlier this fiscal year may have reversed; however, price volatility remains and future collections are uncertain.

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