

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 Estimates (Annual)	Actual Growth Rate	Projected Range in Collections Through 12 Months	Actual Collections	Condition	Forecast	22-Feb	22-Mar	22-Apr	22-May	22-Jun
Sales & Use Tax	13.6%	18.0%	\$2,684,000,000 - \$3,280,000,000	\$3,098,476,730	On target	\$2,981,794,549	20.0%	20.3%	19.1%	18.8%	18.0%
All Other Sources	4.8%	13.6%	\$516,000,000 - \$630,000,000	\$620,939,667	On target	\$588,939,299	16.6%	17.8%	17.8%	27.1%	13.6%
Subtotal General Fund	12.6%	17.3%		\$3,719,416,814		\$3,570,733,648	19.4%	19.8%	18.9%	20.1%	17.3%
Sales & Use Tax Set-Asides	12.4%	17.1%	\$940,000,000 - \$1,149,000,000	\$1,088,089,919	On target	\$1,044,943,971	19.4%	19.3%	19.8%	18.7%	17.1%
Income Tax Fund/Uniform School Fund											
Individual Income Tax	-5.1%	10.8%	\$5,219,000,000 - \$6,379,000,000	\$6,771,925,738	Above target range	\$5,787,974,286	-8.9%	-5.1%	28.7%	12.8%	10.8%
Corporate Tax	-2.8%	26.2%	\$650,000,000 - \$794,000,000	\$937,045,419	Above target range	\$718,915,829	30.1%	34.0%	28.6%	28.7%	26.2%
All Other Sources	3.8%	192.5%	\$31,000,000 - \$37,000,000	\$96,040,613	Above target range	\$58,827,111	174.6%	186.0%	73.1%	136.0%	192.5%
Subtotal Income Tax Fund	-4.8%	13.2%		\$7,805,011,770		\$6,565,717,225	-5.2%	-1.1%	28.8%	14.8%	13.2%
Subtotal GF/ITF/USF	0.7%	14.5%		\$11,524,428,584		\$10,136,450,873	3.0%	6.0%	25.7%	16.0%	14.5%
Transportation Fund											
Motor Fuel Tax	6.0%	5.2%	\$362,000,000 - \$443,000,000	\$399,289,736	On target	\$402,439,824	5.7%	6.5%	5.4%	5.9%	5.2%
Special Fuel Tax	-2.2%	1.1%	\$151,000,000 - \$185,000,000	\$173,862,990	On target	\$168,105,276	0.0%	1.1%	-2.5%	3.0%	1.1%
Other	5.1%	6.0%	\$108,000,000 - \$132,000,000	\$121,400,438	On target	\$120,374,120	6.4%	4.9%	7.2%	6.1%	6.0%
Subtotal Transportation Fund	3.7%	4.3%		\$694,553,164		\$690,919,220	4.4%	4.9%	3.7%	5.2%	4.3%
Total, GF/ITF/USF/TF	0.8%	13.8%		\$12,218,981,748		\$10,827,370,093	3.1%	5.9%	24.3%	15.3%	13.8%

SUMMARY

In final FY 2022 year-end numbers, revenue to the General and Income Tax Funds was over \$11.5 billion, which represents a year-over-year (YoY) increase of 14.5%, compared to a target rate of 0.7%. When adjusting for the 2020 filing shift, the target GF/ITF growth rate is 9.3%, compared to a shift-adjusted growth rate of 24.2%.

In spite of significant economic uncertainty in the past fiscal year, collections met or exceeded targets in every category. However, many revenue sources experienced slowing growth in the last few months of the fiscal year, including the major sources of sales tax and individual and corporate income tax. In the few months since the conclusion of FY 2022, the Federal Reserve has enacted additional interest rate hikes, with more on the horizon, and more indicators are showing signs of weakness. Economists expect that the supercharged economic performance of the past few years is coming to an end; however, the underlying strength of Utah's economy will help the state's residents and businesses weather any impending economic downturn.

GENERAL FUND

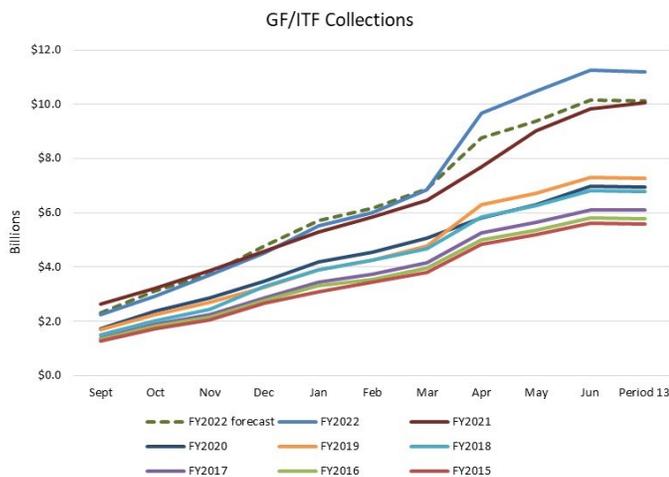
General Fund collections totaled over \$3.7 billion in FY 2022, growing 17.3% YoY, compared to the targeted growth rate of 12.6%. Sales tax collections moderated over the last months of the fiscal year, as high inflation perturbed consumers. However, high levels of excess savings due to pandemic stimulus and shifted spending patterns, coupled with inflation's effect on tax collections due to higher prices, kept collections well above expectations.

INCOME TAX FUND

Income Tax Fund collections reached over \$7.8 billion in FY 2022, representing a YoY increase of 13.2%, compared to the target rate of -4.8%. When adjusting for the 2020 filing delay, which pushed a large amount of collections from FY 2020 to FY 2021, the growth rate is 27.8%, compared to an adjusted target of 7.5%. 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, the housing market has experienced significant softening in the past few months, and the stock market has been highly volatile, with current levels near those not seen since late 2020. These factors are likely to dampen income tax collections during the coming fiscal year.

TRANSPORTATION FUND

Transportation Fund collections totaled just shy of \$700 million in FY 2022, representing a YoY growth rate of 4.3%, compared to the target rate of 3.7%. In spite of softening collections in both motor fuel and special fuel tax over the last months of the fiscal year, the total came in above target. Oil prices have largely declined over the last several months; although significant uncertainty remains around the Russia/Ukraine situation, which has been a driver of high oil prices this year, the current trend signals positivity for next year's gas tax collections.



A Joint Publication of:



LEGISLATIVE FISCAL ANALYST



GOVERNOR'S OFFICE OF Planning & Budget

November 16, 2022