

MONTHLY STATE REVENUE SNAPSHOT MAY 2023

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 10 Months	Actual Collections	Year-End Forecast	Jan-23	Feb-23	Mar-23	Apr-23
Sales & Use Tax	6.4%	6.4%	\$2,473,000,000 - \$3,023,000,000	\$2,800,441,465	\$3,297,805,000	8.9%	9.1%	8.1%	6.4%
All Other Sources	28.9%	32.2%	\$600,000,000 - \$734,000,000	\$664,180,379	\$800,493,229	30.3%	29.2%	31.6%	32.2%
Subtotal General Fund	10.2%	10.6%		\$3,464,621,844	\$4,098,298,229	11.9%	12.1%	11.8%	10.6%
Sales & Use Tax Set-Asides	10.9%	10.4%	\$905,000,000 - \$1,107,000,000	\$957,128,018	\$1,207,400,759	13.8%	11.6%	11.3%	10.4%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	-1.6%	-5.0%	\$4,997,000,000 - \$6,108,000,000	\$5,633,708,311	\$6,663,306,667	24.5%	21.5%	18.0%	-5.0%
Withholding		6.0%		\$4,234,586,682		5.6%	5.3%	5.2%	6.0%
Final Payments (plus SALT Passthrough)		-27.6%		\$1,399,121,629		12.3%	8.4%	10.5%	-27.6%
Corporate Tax	-16.5%	-8.3%	\$587,000,000 - \$717,000,000	\$703,572,032	\$782,651,333	-9.5%	-11.2%	-11.6%	-8.3%
All Other Sources	19.3%	96.1%	\$86,000,000 - \$105,000,000	\$75,196,868	\$114,556,667	80.1%	85.3%	76.5%	96.1%
Subtotal Income Tax Fund	-3.1%	-4.8%		\$6,412,477,211	\$7,560,514,667	21.0%	18.3%	14.9%	-4.8%
Subtotal GF/ITF/USF	1.2%	-1.5%		\$9,877,099,055	\$11,658,812,895	16.5%	14.9%	12.2%	-1.5%
Transportation Fund									
Motor Fuel Tax	2.6%	3.1%	\$307,000,000 - \$376,000,000	\$330,941,628	\$409,781,671	-1.8%	0.9%	1.3%	3.1%
Special Fuel Tax	8.4%	8.8%	\$141,000,000 - \$173,000,000	\$144,652,928	\$188,514,159	6.6%	3.2%	3.3%	8.8%
Other	13.4%	9.7%	\$103,000,000 - \$126,000,000	\$105,309,562	\$137,709,667	12.3%	8.4%	10.5%	9.7%
Subtotal Transportation Fund	6.0%	5.7%		\$580,904,118	\$736,005,497	2.5%	2.7%	3.4%	5.7%
Total, GF/ITF/USF/TF	1.4%	-1.1%		\$10,458,003,173	\$12,394,818,392	15.6%	14.0%	11.6%	-1.1%

SUMMARY

In the first ten months of FY 2023, revenue to the General and Income Tax Funds was just under \$9.9 billion. This represents a year-over-year (YoY) change of -1.5%, compared to the full-year target rate of 1.2%. This month was heavily influenced by individual income tax collections due to the annual individual filer deadline. Gross collections in total surged this month compared to last month's update as a result. However, the YoY comparison has turned negative on relatively lower final payments collections, putting the YoY growth rate for the Income Tax Fund at -4.8%. Growth continued to soften for Sales & Use Tax, at 6.4% YoY, pulling total General Fund growth down to 10.6% YoY. Growth for the Transportation Fund, at 5.7%, was relatively strong this month and benefitted from improvement in both motor fuel and special fuel collections.

Looking forward, the economic outlook remains highly uncertain. The looming specter of a debt ceiling crisis casts a long shadow and remains a serious risk to the economy. However, recent inflation reports have shown continued moderation in the headline rate and job gains have thus far remained robust in the face of tight monetary policy.

GENERAL FUND

General Fund collections totaled nearly \$3.5 billion in the first ten months of FY 2023, growing 10.6% YoY, moderating from last month but remaining ahead of the target rate of 10.2%. Sales tax collections were up 6.4% YoY, a further softening from last month's rate though still in line with the target. Total taxable sales have weakened recently amid a consumption shift back to services. A growing sense of unease about the economy amid the recent bank failures and ongoing debt ceiling uncertainty may also be at play in the consumer pull-back. Among other sources of revenue to the General Fund, the largest contributors to growth for the fund overall were once again investment income, at nearly 1,800% YoY growth, and oil and gas severance tax, which remained elevated at an 83% YoY rate.

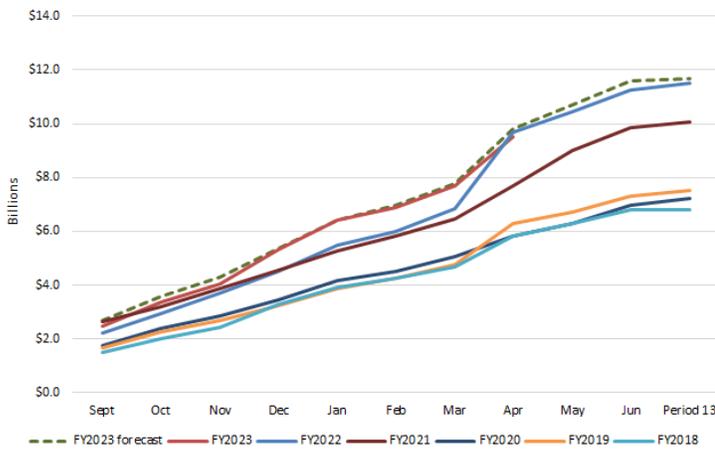
INCOME TAX FUND

Income Tax Fund collections reached just over \$6.4 billion in the first ten months of FY 2023, a YoY change of -4.8%, now tracking below the target rate of -3.1%. As the individual filer deadline has now passed, the bulk of final payments collections have now come in. Compared to last year's deluge, final payments have come in relatively weaker this year without the boost of a hot housing and stock market that helped push last year to record heights. Withholding, however, remains positive YoY at about 6%, benefitting from wage gains and the overall strong labor market conditions. Looking to corporate collections, this month remained in negative territory once again, though improved at a rate of -8.3% YoY; this is still tracking better than the annual target of -16.5%.

TRANSPORTATION FUND

Transportation Fund collections amounted to nearly \$581 million in the first ten months of FY 2023, for a YoY growth rate of 5.7%, compared to the target of 6.0%. The two main contributors to the Fund, Motor Fuel and Special Fuel taxes, showed positive and increased YoY growth this month. After the period of relative softening seen in Special Fuel Tax over the past several months, a large influx of collections boosted by the January rate increase has brought the YoY growth rate up to 8.8%. Special Fuel Tax can be volatile as a function of large bulk diesel fuel purchases. Motor Fuel Tax, at 3.1% YoY, has now shifted to just above the target rate of 2.6%.

GF/ITF Collections



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