

MONTHLY STATE REVENUE SNAPSHOT DEC 2023

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

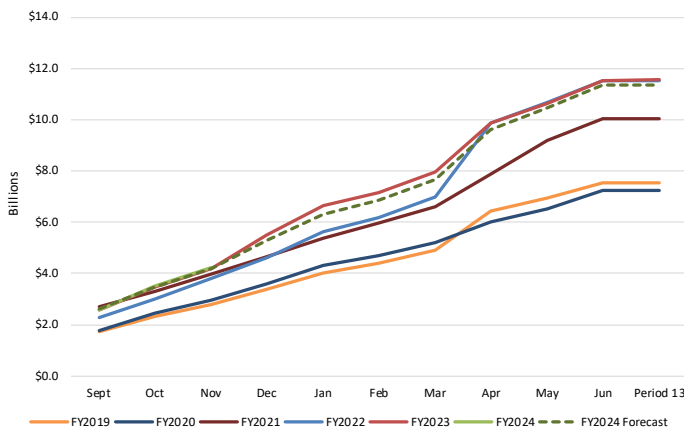
General Fund	Projected Growth Rate - November Estimates (Annual)	YoY Growth Rate	Projected Range in Collections Through 5 Months	FY 2024 Actual Collections	FY 2024 Year-End Forecast	FY 2023 Final	Sep-23	Oct-23	Nov-23
Sales & Use Tax	2.0%	0.4%	\$1,248,000,000 - \$1,526,000,000	\$1,436,758,965	\$3,328,503,333	5.3%	-0.6%	0.1%	0.4%
All Other Sources	2.0%	18.0%	\$328,000,000 - \$401,000,000	\$384,491,214	\$874,500,333	38.0%	14.6%	17.4%	18.0%
Subtotal General Fund	2.0%	3.6%		\$1,821,250,179	\$4,203,003,667	10.8%	1.8%	3.1%	3.6%
Sales & Use Tax Set-Asides	1.8%	2.2%	\$456,000,000 - \$557,000,000	\$488,071,436	\$1,216,311,626	9.8%	4.7%	2.4%	2.2%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	-3.5%	-2.3%	\$2,327,000,000 - \$2,844,000,000	\$2,182,971,769	\$6,204,350,667	-5.0%	-1.2%	-2.5%	-2.3%
Withholding		1.8%		\$2,050,848,213		5.0%	3.1%	2.5%	1.8%
Final Payments (plus SALT Passthrough)		-40.1%		\$132,123,555		-28.6%	-35.8%	-46.5%	-40.1%
Corporate Tax	-4.8%	27.8%	\$311,000,000 - \$380,000,000	\$198,452,102	\$828,124,333	-7.2%	-2.8%	29.8%	27.8%
All Other Sources	2.2%	8.6%	\$50,000,000 - \$62,000,000	\$34,279,404	\$134,232,000	36.8%	21.2%	32.0%	8.6%
Subtotal Income Tax Fund	-3.6%	-0.2%		\$2,415,703,275	\$7,166,707,000	-4.8%	-1.2%	0.3%	-0.2%
Subtotal GF/ITF/USF	-1.6%	1.4%		\$4,236,953,453	\$11,369,710,667	0.3%	0.1%	1.5%	1.4%
Transportation Fund									
Motor Fuel Tax	3.6%	14.1%	\$164,000,000 - \$201,000,000	\$187,820,327	\$438,257,667	5.9%	14.6%	13.5%	14.1%
Special Fuel Tax	4.1%	5.7%	\$71,000,000 - \$87,000,000	\$72,285,138	\$189,556,000	4.7%	15.2%	15.0%	5.7%
Other	12.4%	15.7%	\$63,000,000 - \$77,000,000	\$54,267,582	\$166,917,000	22.3%	16.6%	17.2%	15.7%
Subtotal Transportation Fund	5.5%	12.4%		\$314,373,047	\$794,730,667	8.5%	15.1%	14.5%	12.4%
Total, GF/ITF/USF/TF	-1.2%	2.1%		\$4,551,326,501	\$12,164,441,333	0.7%	1.0%	2.3%	2.1%

SUMMARY

In this snapshot projected growth rates and year-end forecast numbers are updated to reflect the new consensus revenue estimates adopted by the Executive Appropriations Committee in December 2023. In the first five months of FY 2024, revenue to the General and Income Tax Funds was just over \$4.2 billion. This represents a year-over-year (YoY) change of 1.4%. This is overall a slight change from last month's 1.5% growth and remains ahead of the updated target growth rate of -1.6%.

Despite relatively flat growth in sales tax collections, revenues from the remainder of General Fund sources are on track or outperforming targets. We'll be watching sales tax closely in the month ahead as collections come in after holiday sales, which can have an outsized effect on total collections compared to other monthly periods. We can also look to next month for a stronger sense of income tax performance as the bulk of SALT payments should come in through January. These SALT payments effectively shift a portion of final payments collections earlier in the fiscal year than would otherwise have been the case prior to last year and may help provide a better early indicator for the fund's collections overall.

GF/ITF Collections



GENERAL FUND

General Fund collections totaled over \$1.8 billion in the first five months of FY 2024, growing 3.6% YoY, ahead of the 2.0% target. Sales and Use tax collections grew at 0.4% YoY, well short of the 2.0% target. Similar to prior months, this continues to drag partially as a result of shifting consumer preferences towards the consumption of services, which are largely exempt from sales tax. Additionally, collections at this point last year were still very strong (up 12% YoY) before they began softening following a relatively weaker holiday season. We'll look to revenues after holiday sales for any changes in this trend. Currently, the General Fund overall continues its strong performance, benefitting from continued growth in investment income (+152.66%).

INCOME TAX FUND

Income Tax Fund collections were over \$2.4 billion in the first five months of FY 2024, a YoY change of -0.2%, remaining well above the target rate of -3.6%. Individual income tax, which makes up the majority of this fund, is currently sending some mixed signals, with withholding still coming in positively at 1.8% YoY (in spite of the lower tax rate this year) while final payments remains down substantially at about -40% YoY. However, until the bulk of the SALT payments come in this is not yet a strong indicator for where this piece of income collections is heading. Overall, the fund is currently outpacing projections, thanks to a continued strong showing from corporate franchise tax collections. Here again the next month will be important, as another quarter of estimated payments should be collected at calendar year end.

TRANSPORTATION FUND

Transportation Fund collections amounted to roughly \$314 million in the first five months of FY 2024, for a YoY growth rate of 12.4%, well above the consensus target of 5.5%. Motor fuel tax continues to grow above target rates, however, special fuel tax growth has softened considerably since last month's report to 5.7%. Some additional volatility in the YoY comparisons may be seen in fuel taxes in the coming months due to the variable fuel tax rate that has changed twice this year and is due to change again (increase) at the end of the calendar year (H.B. 301, 2023 GS).

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