

MONTHLY STATE REVENUE SNAPSHOT DEC 2022

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	Actual Collections	Year-End Forecast	22-Jun	22-Oct	22-Nov	22-Dec
Sales & Use Tax	5.5%	12.0%	\$1,225,000,000 - \$1,498,000,000	\$1,431,720,481	\$3,267,971,300	18.0%	13.5%	12.8%	12.0%
All Other Sources	13.3%	29.6%	\$264,000,000 - \$322,000,000	\$329,086,282	\$703,782,333	13.6%	36.5%	23.7%	29.6%
Subtotal General Fund	6.8%	14.9%		\$1,760,806,763	\$3,971,753,633	17.3%	16.8%	14.5%	14.9%
Sales & Use Tax Set-Asides	0.0%	12.3%	\$408,000,000 - \$499,000,000	\$477,458,822	\$1,196,433,258	17.1%	10.3%	11.2%	12.3%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	0.1%	9.7%	\$2,543,000,000 - \$3,108,000,000	\$2,234,479,940	\$6,780,943,000	10.8%	11.1%	20.9%	9.7%
Corporate Tax	-14.4%	-29.3%	\$301,000,000 - \$368,000,000	\$155,342,497	\$802,278,000	26.2%	-2.6%	-26.7%	-29.3%
All Other Sources	-3.7%	77.1%	\$35,000,000 - \$42,000,000	\$31,552,468	\$92,526,667	192.5%	107.4%	44.3%	77.1%
Subtotal Income Tax Fund	-1.7%	6.5%		\$2,421,374,905	\$7,675,747,667	13.3%	9.8%	15.4%	6.5%
Subtotal GF/ITF/USF	1.1%	8.8%		\$4,182,181,668	\$11,647,501,300	11.3%	11.1%	14.2%	8.8%
Transportation Fund									
Motor Fuel Tax	3.1%	-3.5%	\$154,000,000 - \$189,000,000	\$164,551,105	\$411,629,667	5.2%	-6.6%	0.1%	-3.5%
Special Fuel Tax	7.6%	1.6%	\$70,000,000 - \$86,000,000	\$68,370,127	\$187,014,000	1.1%	14.0%	10.7%	1.6%
Other	8.2%	13.6%	\$49,000,000 - \$60,000,000	\$46,890,931	\$131,395,667	6.0%	8.0%	7.0%	13.6%
Subtotal Transportation Fund	5.1%	0.3%		\$279,812,163	\$730,039,333	4.3%	0.2%	3.7%	0.3%
Total, GF/ITF/USF/TF	1.3%	8.2%		\$4,461,993,831	\$12,377,540,633	10.9%	10.4%	13.5%	8.2%

SUMMARY

In this snapshot, projected growth rates and year-end forecast numbers are updated to reflect the new revenue estimates adopted by the Executive Appropriations Committee in December 2022. In the first five months of FY 2023, revenue to the General and Income Tax Funds was nearly \$4.2 billion, which represents a year-over-year (YoY) increase of 8.8%, compared to a target rate of 1.1%. This reflects a moderation from last month's 14.2% growth, yet is still markedly higher than the new annual growth target of 1.1%. High growth rates in the two major revenue streams, sales and use tax and individual income tax, are outweighing drops in smaller revenue streams. Economists note the continued uncertainty in the macroeconomy. However, sanguine signs of decelerating inflation and the Federal Reserve's move to smaller and fewer rate increases may foreshadow economic stability in 2023.

GENERAL FUND

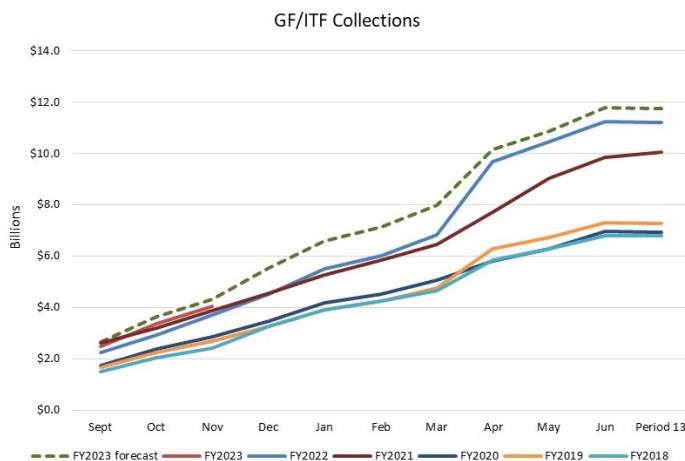
General Fund collections totaled over \$1.7 billion in the first five months of FY 2023, growing 14.9% YoY, compared to the targeted growth rate of 6.8%. Sales tax collections continue their strong showing; while there has been slight deceleration in growth over the course of the fiscal year, record-breaking Thanksgiving weekend sales kicked off the holiday season, the results of which will show in revenue collections in the coming months. The strong growth rate also owes to accelerating growth in investment income, which posts 872% year-over growth, due to rising interest rates, as well as 110% growth in oil and gas severance tax, due to increased production resulting from high petroleum prices.

INCOME TAX FUND

Income Tax Fund collections reached over \$2.4 billion in the first five months of FY 2023, representing a YoY increase of 6.5%, compared to the target rate of -1.7%. Individual income tax collections posted 9.7% YoY growth; however, in spite of this seemingly strong rate, the true year-over growth rate will not be evident until the spring, when we can compare to spring 2022's highly anomalous spike in final payments. Corporate collections are shrinking at a faster rate of -29.3%; these collections are inherently volatile and correlated with fluctuations in equity markets, and are reflecting a national trend of losses in corporate profits.

TRANSPORTATION FUND

Transportation Fund collections totaled nearly \$280 million in the first five months of FY 2023, representing a YoY growth rate of 0.3%, compared to the target rate of 5.1%. Special fuel tax is helping prop up the Transportation Fund; however, special fuel only grew at 1.6% in November, compared to double-digit growth in prior months, which could indicate demand destruction due to diesel prices remaining high and not experiencing the same recovery as gas prices. Meanwhile, motor fuel tax growth is negative again, at -3.5%, after last month's 0.1%, in spite of significant improvement in gas prices.



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