

# MONTHLY STATE REVENUE SNAPSHOT

APR 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 9 Months	Actual Collections	Condition	Forecast	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Sales & Use Tax	13.6%	20.3%	\$1,953,000,000 - \$2,387,000,000	\$2,298,363,447	On target	\$2,981,794,549	20.2%	20.8%	20.4%	20.0%	20.3%
All Other Sources	4.8%	18.3%	\$346,000,000 - \$423,000,000	\$434,072,299	Above target range	\$572,519,299	14.3%	14.6%	12.8%	16.6%	18.3%
<b>Subtotal General Fund</b>	<b>12.1%</b>	<b>19.9%</b>		<b>\$2,732,435,746</b>			<b>19.1%</b>	<b>19.7%</b>	<b>19.3%</b>	<b>19.4%</b>	<b>19.9%</b>
Sales & Use Tax Set-Asides	12.4%	19.3%	\$661,000,000 - \$808,000,000	\$779,545,287	On target	\$1,044,943,971	20.0%	18.9%	18.7%	19.4%	19.3%
<b>Education Fund/Uniform School Fund</b>											
Individual Income Tax	-5.1%	-5.1%	\$3,355,000,000 - \$4,101,000,000	\$3,727,141,927	On target	\$5,796,826,286	-18.6%	-15.0%	-6.4%	-8.9%	-5.1%
Corporate Tax	-2.8%	34.0%	\$335,000,000 - \$409,000,000	\$512,601,120	Above target range	\$721,973,829	35.7%	27.0%	27.7%	30.1%	34.0%
All Other Sources	3.8%	186.0%	\$12,000,000 - \$14,000,000	\$35,458,801	Above target range	\$58,827,111	245.0%	232.0%	167.1%	174.6%	186.0%
<b>Subtotal Education Fund</b>	<b>-4.6%</b>	<b>-1.1%</b>		<b>\$4,275,201,848</b>			<b>-14.8%</b>	<b>-10.8%</b>	<b>-3.0%</b>	<b>-5.2%</b>	<b>-1.1%</b>
<b>Subtotal GF/EF</b>	<b>0.6%</b>	<b>6.0%</b>		<b>\$7,007,637,595</b>			<b>-4.0%</b>	<b>-1.2%</b>	<b>4.4%</b>	<b>3.0%</b>	<b>6.0%</b>
<b>Transportation Fund</b>											
Motor Fuel Tax	6.0%	6.5%	\$261,000,000 - \$319,000,000	\$291,050,872	On target	\$402,439,824	4.2%	4.8%	7.9%	5.7%	6.5%
Special Fuel Tax	-2.2%	1.1%	\$107,000,000 - \$131,000,000	\$123,047,491	On target	\$168,105,276	-4.0%	-3.6%	-1.9%	0.0%	1.1%
Other	5.1%	4.9%	\$74,000,000 - \$91,000,000	\$82,533,167	On target	\$120,374,120	7.2%	7.3%	5.5%	6.4%	4.9%
<b>Subtotal Transportation Fund</b>	<b>3.7%</b>	<b>4.9%</b>		<b>\$496,631,530</b>			<b>2.5%</b>	<b>3.0%</b>	<b>5.0%</b>	<b>4.4%</b>	<b>4.9%</b>
<b>Total, GF/EF/USF/TF</b>	<b>0.8%</b>	<b>5.9%</b>		<b>\$7,504,269,125</b>			<b>-3.6%</b>	<b>-0.9%</b>	<b>4.4%</b>	<b>3.1%</b>	<b>5.9%</b>

## SUMMARY

In the first nine months of FY 2022, revenue to the General and Education Funds totaled over \$7.0 billion, which represents a year-over-year (YoY) increase of 6.0%, compared to a target rate of 0.6% and last month's 3.0% growth. When adjusting for the filing shift, the target GF/EF growth rate is 9.3%, compared to a shift-adjusted actual growth rate of 20.9%.

Volatility and uncertainty continue to roil the economy. While Utah's collections remain robust beyond expectations, there are many headwinds. Inflation continues to accelerate, consumer sentiment is at a 10-year low, the Federal Reserve has begun its planned series of interest rate hikes, and the labor market continues to tighten. Additionally, the continuation of the conflict in Ukraine and COVID outbreaks in critical supply chain sites heighten the delicate nature of the seemingly strong economic conditions.

## GENERAL FUND

General Fund collections totaled over \$2.7 billion in the first nine months of FY 2022, representing a YoY growth rate of 19.9%, compared to the target growth rate of 12.1%. After two months of moderation, sales tax revenues accelerated in March. This is likely due to increasing inflation, as the Gardner Policy Institute reports Utah's consumer confidence decreased by 10.8 percentage points in March, following three consecutive months of increase; this softening in sentiment could show up in subsequent data. With the exception of insurance premium taxes, all other sources of General Fund revenue are showing slowed growth compared to last month.

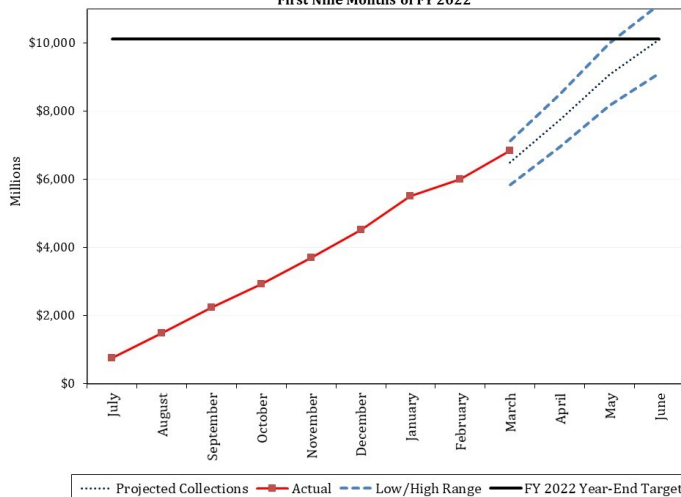
## EDUCATION FUND

Education Fund collections reached nearly \$4.3 billion in the first nine months of FY 2022, representing a YoY decrease of -1.1%, compared to the target rate of -4.6%. However, when adjusting for the filing delay, the growth rate is 21.2%, compared to an adjusted target of 7.8% and last month's adjusted rate of 18.7%. This high rate of growth may be resulting from the increasingly tight labor market, job growth, and wage inflation, as well as the strong stock and housing markets in 2021. Corporate tax collections continue their rapid growth trajectory, posting 34.0% actual growth YoY, or 58.9% for the shift-adjusted rate.

## TRANSPORTATION FUND

Transportation Fund collections totaled nearly \$497 million in the first nine months of FY 2022, representing a YoY growth rate of 4.9%. Although the price of oil has mostly been declining since its late-March high, the economist's adage of "up like a rocket, down like a feather" indicates that prices at the pump will be slower to fall, assuming the price per barrel continues to drop, which is uncertain given the continuing conflict in Ukraine. However, potential demand destruction for oil due to these high prices has yet to appear in the data, which show accelerating collections for motor and special fuel.

Actual and Projected GF/EF Revenue, July through March, FY 2022  
First Nine Months of FY 2022



A Joint Publication of:

Office of the  
Legislative Fiscal Analyst



GOVERNOR'S OFFICE OF  
**Planning & Budget**

April 14, 2022