

MONTHLY STATE REVENUE SNAPSHOT JAN 2022

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

| General Fund | Projected Growth Rate - December Estimates (Annual) | Actual Growth Rate | Projected Range in Collections Through 6 Months | Actual Collections | Condition | Forecast | Jun-21 | Sept-21 | Oct-21 | Nov-21 | Dec-21 |
|---|---|--------------------|---|--------------------|--------------------|-----------------|--------|---------|--------|--------|--------|
| Sales & Use Tax | 9.2% | 20.8% | \$1,241,000,000 - \$1,517,000,000 | \$1,525,825,350 | Above target range | \$2,865,726,482 | 15.9% | 22.2% | 20.1% | 20.2% | 20.8% |
| All Other Sources | 2.7% | 3.6% | \$226,000,000 - \$277,000,000 | \$253,752,176 | On target | \$560,795,815 | -3.0% | 8.6% | 8.7% | 8.2% | 3.6% |
| Subtotal General Fund | 8.0% | 17.9% | | \$1,779,577,526 | | | 12.1% | 19.9% | 18.0% | 18.0% | 17.9% |
| Sales & Use Tax Set-Asides | 8.1% | 18.9% | \$410,000,000 - \$502,000,000 | \$501,674,453 | On target | \$1,004,353,316 | 14.0% | 22.0% | 24.3% | 20.0% | 18.9% |
| Education Fund/Uniform School Fund | | | | | | | | | | | |
| Individual Income Tax | -8.7% | -15.0% | \$2,358,000,000 - \$2,882,000,000 | \$2,441,054,438 | On target | \$5,576,512,627 | 53.3% | -33.2% | -25.7% | -18.6% | -15.0% |
| Corporate Tax | -13.0% | 27.0% | \$220,000,000 - \$269,000,000 | \$357,263,930 | Above target range | \$646,433,333 | 108.7% | 24.4% | 37.2% | 35.7% | 27.0% |
| All Other Sources | 1.9% | 232.0% | \$5,000,000 - \$7,000,000 | \$19,831,298 | Above target range | \$50,430,816 | -55.7% | 29.9% | 92.8% | 245.0% | 232.0% |
| Subtotal Education Fund | -9.0% | -10.8% | | \$2,818,149,666 | | | 56.0% | -28.5% | -20.9% | -14.8% | -10.8% |
| Subtotal GF/EF | -3.6% | -1.2% | | \$4,597,727,192 | | | 45.0% | -15.0% | -8.4% | -4.0% | -1.2% |
| Transportation Fund | | | | | | | | | | | |
| Motor Fuel Tax | 4.6% | 4.8% | \$179,000,000 - \$219,000,000 | \$199,384,241 | On target | \$397,150,966 | 8.1% | 6.2% | 0.6% | 4.2% | 4.8% |
| Special Fuel Tax | -1.4% | -3.6% | \$74,000,000 - \$91,000,000 | \$80,537,160 | On target | \$169,521,167 | 12.1% | -13.3% | -10.1% | -4.0% | -3.6% |
| Other | 5.3% | 7.3% | \$45,000,000 - \$55,000,000 | \$51,385,634 | On target | \$120,561,000 | 4.5% | 11.1% | 12.7% | 7.2% | 7.3% |
| Subtotal Transportation Fund | 3.2% | 3.0% | | \$331,307,035 | | | 8.5% | 1.9% | -0.4% | 2.5% | 3.0% |
| Total, GF/EF/USF/TF | -3.2% | -0.9% | | \$4,929,034,227 | | | 42.0% | -14.0% | -7.9% | -3.6% | -0.9% |

SUMMARY

In the first six months of FY 2022, revenue to the General and Education Funds totaled nearly \$4.6 billion, which represents a year-over-year (YoY) decrease of -1.2%, compared to a target rate of -3.6%. These collections are moderating significantly as the fiscal year wears on, as the 2020 income tax filing deadline shift becomes less consequential. When adjusting for the filing shift, the target GF/EF growth rate is 4.6%, compared to an actual shift-adjusted growth rate of 19.7%.

GENERAL FUND

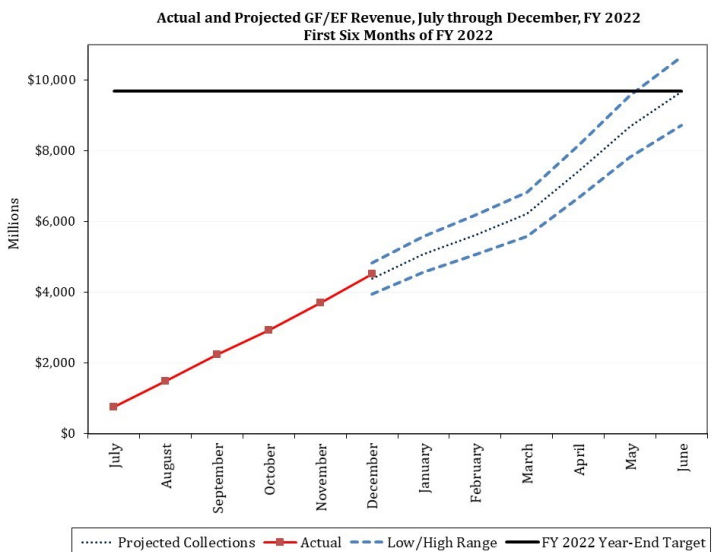
General Fund collections totaled nearly \$1.8 billion in the first six months of FY 2022, representing a YoY growth rate of 17.9%, far above the target growth rate of 8.0%. Although the growth rate for total General Fund has been moderating slightly over the course of the fiscal year, sales tax growth has accelerated in the last few months, indicating strong consumption in spite of shaky general consumer confidence. Additionally, as in previous months, severance tax collections continue to far exceed estimates, due to the strength of commodity prices and the resulting increase in natural resources activity in the state. It should be noted that these figures only reflect spending through November, so any potential effects of the Omicron variant on consumption have yet to appear in the data.

TRANSPORTATION FUND

Transportation Fund collections totaled over \$331 million in the first six months of FY 2022, representing a growth rate of 3.0% YoY. Despite weaker collections at the end of the first fiscal quarter, motor fuel collections have accelerated in the past few months. This could reflect increased mobility as more people traveled during the holidays compared to the 2020 holiday season.

EDUCATION FUND

Education Fund collections reached over \$2.8 billion in the first six months of FY 2022, representing a YoY decrease of -10.8%, compared to the target rate of -9.0%. However, this rate compares year-to-date collections in FY 2022 to FY 2021, which had abnormally high income tax collections in July of 2020 due to the filing shift from April to July. When adjusting for this collections shift, the growth rate is a very robust 19.3%. The non-shift-adjusted rate is moderating and will continue to do so as the fiscal year progresses. Additionally, as expected, the astronomical growth in corporate tax collections resulting from federal stimulus and strategic timing of payments by corporations are moderating, though they still remain far above the -13.0% target, at 27.0% YoY growth.



A Joint Publication of:

Office of the
Legislative Fiscal Analyst



GOVERNOR'S OFFICE OF
Planning & Budget

January 14, 2022