

MONTHLY STATE REVENUE SNAPSHOT

OCT 2021

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

General Fund	Projected Growth Rate - May Estimates (Annual)	Actual Growth Rate	Projected Range in Collections Through 3 Months	Actual Collections	Condition	Forecast	Mar-21	Apr-21	May-21	Jun-21	Sept-21
Sales & Use Tax	3.9%	22.2%	\$604,000,000 - \$738,000,000	\$776,512,650	Above target range	\$2,579,866,333	11.7%	14.4%	16.5%	16.5%	22.2%
All Other Sources	-2.6%	8.6%	\$117,000,000 - \$142,000,000	\$132,234,524	On target	\$517,961,333	-4.6%	-10.7%	-7.4%	-7.1%	8.6%
Subtotal General Fund	2.8%	19.9%		\$908,747,174			8.7%	9.5%	11.7%	11.9%	19.9%
Sales & Use Tax Set-Asides	3.0%	22.0%	\$185,000,000 - \$226,000,000	\$243,551,825	Above target range	\$894,279,133	6.6%	8.7%	10.5%	12.5%	22.0%
Education Fund/Uniform School Fund											
Individual Income Tax	-11.1%	-33.2%	\$1,035,000,000 - \$1,265,000,000	\$1,182,496,074	On target	\$5,751,291,000	38.9%	41.1%	58.7%	53.3%	-33.2%
Corporate Tax	-2.3%	24.4%	\$89,000,000 - \$109,000,000	\$186,845,189	Above target range	\$448,348,333	45.3%	89.5%	94.4%	108.1%	24.4%
All Other Sources	-4.4%	29.9%	\$7,000,000 - \$8,000,000	\$7,585,506	On target	\$51,835,000	-55.2%	-36.6%	-51.2%	-37.1%	29.9%
Subtotal Education Fund	-10.4%	-28.5%		\$1,376,926,769			38.6%	44.6%	60.6%	56.8%	-28.5%
Subtotal GF/EF	-6.1%	-15.0%		\$2,285,673,943			27.8%	32.4%	43.4%	41.3%	-15.0%
Transportation Fund											
Motor Fuel Tax	5.0%	6.2%	\$86,000,000 - \$105,000,000	\$103,867,735	On target	\$367,108,333	0.1%	1.5%	5.0%	7.2%	6.2%
Special Fuel Tax	3.4%	-13.3%	\$34,000,000 - \$41,000,000	\$36,507,047	On target	\$163,614,000	6.4%	6.5%	7.3%	8.9%	-13.3%
Other	3.7%	11.1%	\$23,000,000 - \$28,000,000	\$26,478,111	On target	\$115,972,000	8.9%	8.2%	9.4%	10.0%	11.1%
Subtotal Transportation Fund	4.3%	1.9%		\$166,852,893			3.0%	3.8%	6.3%	8.1%	1.9%
Total, GF/EF/USF/TF	-5.4%	-14.0%		\$2,452,526,836			25.7%	30.1%	40.4%	38.7%	-14.0%

SUMMARY

In the first quarter of FY 2022, revenue to the General and Education Funds totaled nearly \$2.3 billion, which represents a year-over-year (YoY) decrease of -15.0%, compared to a target rate of -6.1%. The decrease is largely due to seemingly underperforming income tax collections (see Education Fund box), while sales tax remains historically strong. The differential between the actual growth and projected growth rates will narrow in future months, as the effect of the filing deadline shift becomes less consequential.

The Office of the Legislative Fiscal Analyst, the Governor's Office of Planning and Budget, and the Utah State Tax Commission will meet in the coming months to adjust revenue growth expectations for FY 2022 based on updated economic indicators.

GENERAL FUND

General Fund collections totaled over \$908 million in the first three months of FY 2022, representing a YoY growth rate of 19.9%. This is over seven times the target growth rate of 2.8%. Massive sales tax growth drives the General Fund performance and is surprising, given that the year-over-year comparison accounts for the astronomical growth in sales tax during the last fiscal year. Additionally, oil, gas, and mineral severance tax collections are outperforming estimates, given the strength of commodity prices and the resulting increase in natural resources activities in the state.

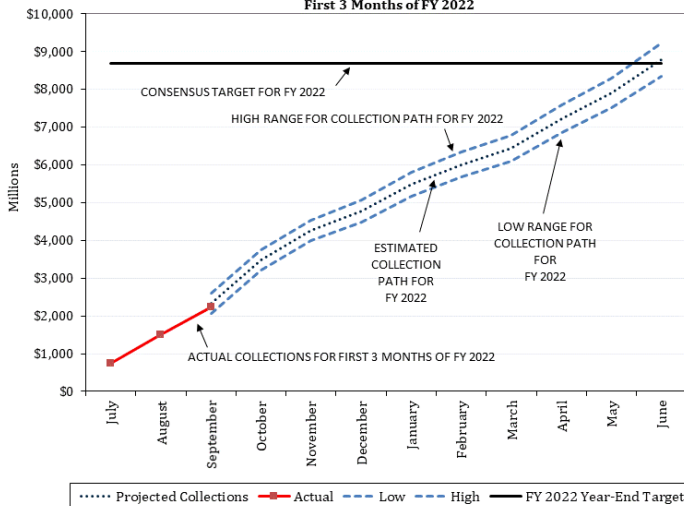
EDUCATION FUND

Education Fund collections reached nearly \$1.4 billion in the first quarter of FY 2022, representing a YoY decrease of -28.5%, compared to the target rate of -10.4%. However, the reference period for the YoY comparison is FY 2021, which had abnormally high income tax collections due to the filing delay from FY 2020 to FY 2021; the shift-adjusted growth rate for individual income tax is approximately 11.7%. Corporate tax is growing significantly more than projected, but the extent to which it is aided by federal stimulus and timing due to corporate tax planning remains to be seen.

TRANSPORTATION FUND

Transportation Fund collections totaled over \$166 million in the first three months of FY 2022, a rate of 1.9% YoY. This is below the consensus target of 4.3%. Motor fuel collections are strong, at 6.2% YoY compared to the target of 5.0%. If high gas prices are sustained, they could affect collections in the coming months.

Actual and Projected GF/EF Revenue, July through September, FY 2022
First 3 Months of FY 2022



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