Summary

In the first five months of FY 2022, revenue to the General and Education Funds totaled nearly $3.8 billion, which represents a year-over-year (YoY) decrease of -4.0%, 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 20.8%.

This snapshot updates the projected growth rates and forecast figures to reflect the consensus revenue estimates adopted by the Executive Appropriations Committee during its December meeting.

General Fund

General Fund collections totaled over $1.5 billion in the first five months of FY 2022, representing a YoY growth rate of 18.4%, far above the target growth rate of 8.0%. Although the growth rate moderated in last month’s snapshot, this month represents a slight uptick in growth. This could be due to consumers tackling their holiday shopping early as supply chain issues continue to delay some order fulfillments. Additionally, 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.

Education Fund

Education Fund collections reached nearly $2.3 billion in the first five months of FY 2022, representing a YoY decrease of -14.8%, compared to the target rate of -9.0%. However, the reference period for the YoY comparison is FY 2021, which had abnormally high income tax collections in July of 2020 due to the filing shift from April to July. Although individual income tax actual collections are below target range, the shift-adjusted growth rate is a very robust 15.3%. 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 appears to be moderating slightly.

Transportation Fund

Transportation Fund collections totaled nearly $280 million in the first five months of FY 2022, a rate of 2.5% YoY. Motor fuel collections accelerated in the last month, at 4.2% YoY compared to the target rate of 2.5%. This could reflect increased mobility as more people traveled during the holidays compared to the 2020 holiday season.