

MONTHLY STATE REVENUE SNAPSHOT

FEB 2023

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 7 Months	Actual Collections	Year-End Forecast	22-Jun	22-Nov	22-Dec	22-Jan
Sales & Use Tax	5.5%	8.9%	\$1,716,000,000 - \$2,097,000,000	\$2,030,194,353	\$3,267,971,300	18.0%	12.0%	10.5%	8.9%
All Other Sources	13.3%	32.9%	\$369,000,000 - \$451,000,000	\$407,517,990	\$703,782,333	13.6%	28.3%	30.8%	32.9%
Subtotal General Fund	6.8%	12.3%		\$2,437,712,343	\$3,971,753,633	17.3%	14.7%	13.7%	12.3%
Sales & Use Tax Set-Asides	0.0%	13.8%	\$571,000,000 - \$698,000,000	\$676,228,149	\$1,196,433,258	17.1%	12.3%	13.2%	13.8%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	0.1%	24.5%	\$3,560,000,000 - \$4,351,000,000	\$3,791,697,037	\$6,780,943,000	10.8%	9.7%	25.3%	24.5%
Withholding - Passthrough SALT				\$564,816,471					
Individual Income Tax Excluding Passthrough SALT		6.0%		\$3,226,880,566				8.9%	6.0%
Corporate Tax	-14.4%	-9.5%	\$421,000,000 - \$515,000,000	\$359,711,719	\$802,278,000	26.2%	-29.3%	-6.4%	-9.5%
All Other Sources	-3.7%	80.1%	\$49,000,000 - \$59,000,000	\$44,909,688	\$92,526,667	192.5%	77.1%	94.9%	80.1%
Subtotal Income Tax Fund	-1.7%	21.0%		\$4,196,318,444	\$7,675,747,667	13.3%	6.5%	21.7%	21.0%
Subtotal GF/ITF/USF	1.1%	16.5%		\$6,634,030,787	\$11,647,501,300	11.3%	8.8%	17.6%	16.5%
Transportation Fund									
Motor Fuel Tax	3.1%	-1.8%	\$216,000,000 - \$264,000,000	\$229,402,270	\$411,629,667	5.2%	-3.5%	-0.7%	-1.8%
Special Fuel Tax	7.6%	6.6%	\$98,000,000 - \$120,000,000	\$102,812,631	\$187,014,000	1.1%	1.6%	9.0%	6.6%
Other	8.2%	12.3%	\$69,000,000 - \$84,000,000	\$69,585,457	\$131,395,667	6.0%	13.6%	12.0%	12.3%
Subtotal Transportation Fund	5.1%	2.5%		\$401,800,358	\$730,039,333	4.3%	0.3%	3.6%	2.5%
Total, GF/ITF/USF/TF	1.3%	15.6%		\$7,035,831,145	\$12,377,540,633	10.9%	8.2%	16.7%	15.6%

SUMMARY

In the first seven months of FY 2023, revenue to the General and Income Tax Funds was just over \$6.6 billion, which represents a year-over-year (YoY) increase of 16.5%, compared to a full-year target rate of 1.1%. This jump reflects another month of strong growth, though moderating slightly from last month's 17.6% growth, remaining well above November's revised annual growth target of 1.1%. High growth rates in the two major revenue streams, sales and use tax and individual income tax, persisted this month. However, sales and use tax growth continued to decelerate, posting the first rate below 10% YoY since November 2020. With a few exceptions, this was the case for most revenue sources, with the latest rates coming in lower than last month, though still at elevated levels. Note that this revenue snapshot is the last to use the revenue forecasts as adopted in November; state economists are currently working on an updated consensus outlook and revised revenue forecasts and growth rate targets will be reflected beginning with next month's update.

GENERAL FUND

General Fund collections totaled over \$2.4 billion in the first seven months of FY 2023, growing 12.3% YoY, in line with prior months this fiscal year and ahead of the target rate of 6.8%. However, while sales tax collections remained strong relative to historical levels, growth moderated once again. The continued shift in consumer spending back from taxable goods to non-taxable services and concerns over persistent inflation were likely factors in this deceleration. Countering this, the strong growth for General Fund overall stems from accelerating growth in investment income, at just shy of 1,100% year-over-year growth, and in oil and gas severance tax, which remains elevated at 136% year-over-year.

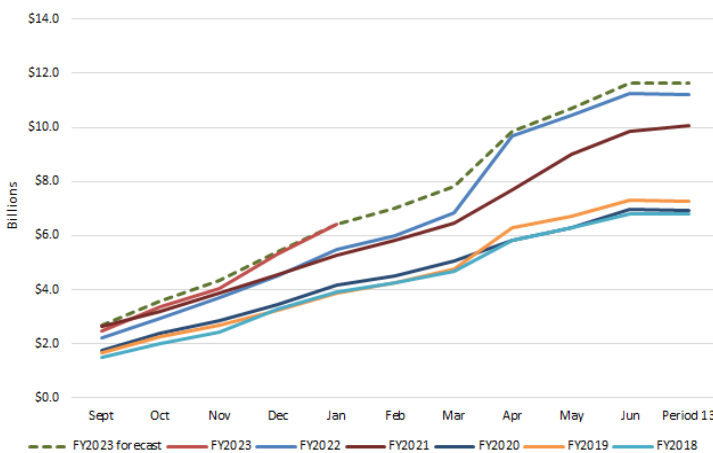
INCOME TAX FUND

Income Tax Fund collections reached nearly \$4.2 billion in the first seven months of FY 2023, up almost \$770 million since last month for a YoY increase of 21.0%. This compares to the target of -1.7%. Individual income tax collections accounted for most of this large jump again, with 24.5% YoY growth; however, this remains inflated due to income tax payments shifting from March and April to December and January as some pass-through entity filers utilize provisions passed in HB 444 during the last General Session. This shift made up nearly \$565 million of the cumulative total collections. The effect of this on the growth rate will moderate as the fiscal year progresses. Corporate collections came in negative once again at a rate of -9.5% YoY, deteriorating some compared to last month.

TRANSPORTATION FUND

Transportation Fund collections amounted to over \$400 million in the first seven months of FY 2023, for a YoY growth rate of 2.5%, compared to the target of 5.1%. Motor fuel and special fuel tax growth deteriorated compared to December, though special fuel remained strong YoY in spite of persistently higher diesel prices compared to the year-ago period. Conversely, gasoline prices have returned to similar levels to the year-ago period, yet motor fuel tax collections were once again negative. With the annual recalculation of fuel tax rates bumping up from \$0.319/gallon to \$0.364/gallon as of 1/1/2023, collections included in next month's report will begin to reflect the new rate.

GF/ITF Collections



A Joint Publication of:



GOVERNOR'S OFFICE OF
Planning & Budget

February 14, 2023