

# MONTHLY STATE REVENUE SNAPSHOT

JAN 2024

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

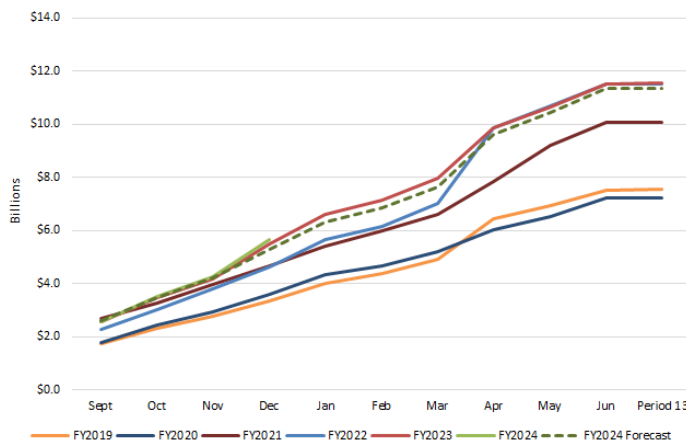
General Fund	Projected Growth Rate - November Estimates (Annual)	YoY Growth Rate	Projected Range in Collections Through 6 Months	FY 2024 Actual Collections	FY 2024 Year-End Forecast	FY 2023 Final	Oct-23	Nov-23	Dec-23
Sales & Use Tax	2.0%	1.1%	\$1,498,000,000 - \$1,831,000,000	\$1,704,770,155	\$3,328,503,333	5.3%	0.1%	0.4%	1.1%
All Other Sources	2.0%	19.9%	\$394,000,000 - \$481,000,000	\$437,124,267	\$874,500,333	38.0%	15.9%	18.0%	19.9%
Subtotal General Fund	2.0%	4.5%		\$2,141,894,422	\$4,203,003,667	10.8%	2.9%	3.6%	4.5%
Sales & Use Tax Set-Asides	1.8%	2.2%	\$547,000,000 - \$669,000,000	\$580,305,063	\$1,216,311,626	9.8%	2.4%	2.2%	2.2%
<b>Income Tax Fund/Uniform School Fund</b>									
Individual Income Tax	-3.5%	1.6%	\$2,792,000,000 - \$3,412,000,000	\$3,107,810,870	\$6,204,350,667	-5.0%	-2.5%	-2.3%	1.6%
Withholding		2.1%		\$2,436,563,712		5.0%	2.5%	1.8%	2.1%
Final Payments (plus SALT Passthrough)		-0.1%		\$671,247,158		-28.6%	-46.5%	-40.1%	-0.1%
Corporate Tax	-4.8%	10.6%	\$373,000,000 - \$455,000,000	\$370,093,907	\$828,124,333	-7.2%	29.8%	27.8%	10.6%
All Other Sources	2.2%	8.9%	\$60,000,000 - \$74,000,000	\$42,108,528	\$134,232,000	36.8%	32.0%	8.6%	8.9%
Subtotal Income Tax Fund	-3.6%	2.6%		\$3,520,013,304	\$7,166,707,000	-4.8%	0.3%	-0.2%	2.6%
Subtotal GF/ITF/USF	-1.6%	3.3%		\$5,661,907,726	\$11,369,710,667	0.3%	1.4%	1.4%	3.3%
<b>Transportation Fund</b>									
Motor Fuel Tax	3.6%	10.8%	\$197,000,000 - \$241,000,000	\$219,383,278	\$438,257,667	5.9%	13.5%	14.1%	10.8%
Special Fuel Tax	4.1%	0.7%	\$85,000,000 - \$104,000,000	\$88,369,208	\$189,556,000	4.7%	15.0%	5.7%	0.7%
Other	12.4%	13.1%	\$75,000,000 - \$92,000,000	\$65,107,435	\$166,917,000	22.3%	17.2%	15.7%	13.1%
Subtotal Transportation Fund	5.5%	8.6%		\$372,859,920	\$794,730,667	8.5%	14.5%	12.4%	8.6%
Total, GF/ITF/USF/TF	-1.2%	3.6%		\$6,034,767,647	\$12,164,441,333	0.7%	2.2%	2.1%	3.6%

## SUMMARY

In the first six months of FY 2024, revenue to the General and Income Tax Funds was over \$5.6 billion, a year-over-year growth rate of 3.3%. This is ahead of the -1.6% growth projected in the recent November forecasts. The pattern also holds when considering all three funds together (3.6% growth relative to a -1.2% target).

In the General Fund, sales tax experienced a surge in collections over the past month. Whether this is representative of increased end of year spending, or normalizing growth patterns is uncertain. Should sales tax collections continue to grow closer to the target, it would provide evidence for the latter explanation. In the Income Tax Fund, there was also a notable increase in collections. However, this is likely due to a more expected source: SALT payments from pass-through entities. This conclusion is supported by observing that the largest increase in collections for the month came from final payments while withholding stayed relatively stable month to month. As such, the bolstering effect on the fund overall is expected to moderate in the coming months.

GF/ITF Collections



## GENERAL FUND

General Fund collections totaled about \$2.14 billion in the first six months of FY 2024, growing 4.5% YoY and outperforming the 2.0% target. Sales and Use tax collections grew at 1.1% YoY, closer to, but still short of, the 2.0% target relative to last month's report. This surge may represent the beginning of an increase due to end of year spending, and so may slow again in the coming months. Alternatively, growth may be normalizing following the volatility of the past few years. Future snapshots will help discern between these competing explanations. The other sources of revenue continue to bolster the fund overall resulting in collections exceeding the target of 2% by 2.5 percentage points.

## INCOME TAX FUND

Income Tax Fund collections were over \$3.5 billion in the first six months of FY 2024, a YoY change of 2.6%, ahead of the target rate by 5 percentage points. Individual Income tax collections totaled a little under \$1 billion this month split between withholdings (~\$385 million) and final payments (~\$540 million). This increase in collections is expected as pass-through entities shift their state payments to December for federal tax advantages from SALT payments. The growth of this revenue is expected to moderate in coming months for the same reason. Accounting for the other revenue sources, the fund overall continues to outperform projections. Corporate tax in particular is currently exceeding projections by 15.4 percentage points.

## TRANSPORTATION FUND

Transportation Fund collections amounted to just under \$373 million in the first six months of FY 2024, for a YoY growth rate of 8.6%, which remains above the consensus target of 5.5%. Continuing the trend from last month, special fuel tax growth has slowed to 0.7% YoY, below its target of 4.1%. Both motor fuels and other taxes have also slowed relative to last month, yet remain above their respective targets (3.6% and 12.4%). Overall collections remain strong through December, yet there is little reason to expect deviation from this moderating trend.

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