

# MONTHLY STATE REVENUE SNAPSHOT JUNE 2023

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

General Fund	Projected Growth Rate - February Estimates (Annual)	YoY Growth Rate	Projected Range in Collections		Year-End Forecast	Feb-23	Mar-23	Apr-23	May-23
			Through 11 Months	Actual Collections					
Sales & Use Tax	6.4%	5.5%	\$2,721,000,000 - \$3,325,000,000	\$3,029,522,565	\$3,297,805,000	9.1%	8.1%	6.4%	5.5%
All Other Sources	28.9%	35.3%	\$631,000,000 - \$771,000,000	\$754,908,422	\$800,493,229	29.2%	31.6%	31.9%	35.3%
<b>Subtotal General Fund</b>	<b>10.2%</b>	<b>10.4%</b>		<b>\$3,784,430,986</b>	<b>\$4,098,298,229</b>	<b>12.1%</b>	<b>11.8%</b>	<b>10.5%</b>	<b>10.4%</b>
Sales & Use Tax Set-Asides	10.9%	10.0%	\$996,000,000 - \$1,217,000,000	\$1,066,724,142	\$1,207,400,759	11.6%	11.3%	10.4%	10.0%
<b>Income Tax Fund/Uniform School Fund</b>									
Individual Income Tax	-1.6%	-5.6%	\$5,497,000,000 - \$6,719,000,000	\$6,037,989,705	\$6,663,306,667	21.5%	18.0%	-5.0%	-5.6%
Withholding		4.9%		\$4,605,154,458		5.3%	5.2%	6.0%	4.9%
Final Payments (plus SALT Passthrough)		-28.7%		\$1,432,835,247				-27.6%	-28.7%
Corporate Tax	-16.5%	-8.2%	\$646,000,000 - \$789,000,000	\$738,275,725	\$782,651,333	-11.2%	-11.6%	-8.3%	-8.2%
All Other Sources	19.3%	86.6%	\$95,000,000 - \$116,000,000	\$77,187,755	\$114,556,667	85.3%	76.5%	96.1%	86.6%
<b>Subtotal Income Tax Fund</b>	<b>-3.1%</b>	<b>-5.4%</b>		<b>\$6,853,453,184</b>	<b>\$7,560,514,667</b>	<b>18.3%</b>	<b>14.9%</b>	<b>-4.8%</b>	<b>-5.4%</b>
<b>Subtotal GF/ITF/USF</b>	<b>1.2%</b>	<b>-0.3%</b>		<b>\$10,637,884,170</b>	<b>\$11,658,812,895</b>	<b>15.9%</b>	<b>13.7%</b>	<b>0.1%</b>	<b>-0.3%</b>
<b>Transportation Fund</b>									
Motor Fuel Tax	2.6%	4.1%	\$338,000,000 - \$413,000,000	\$371,112,354	\$409,781,671	0.9%	1.3%	3.1%	4.1%
Special Fuel Tax	8.4%	5.3%	\$156,000,000 - \$190,000,000	\$159,430,132	\$188,514,159	3.2%	3.3%	8.8%	5.3%
Other	13.4%	11.5%	\$114,000,000 - \$139,000,000	\$118,149,132	\$137,709,667	8.4%	10.5%	9.7%	11.5%
<b>Subtotal Transportation Fund</b>	<b>6.0%</b>	<b>5.7%</b>		<b>\$648,691,618</b>	<b>\$736,005,497</b>	<b>2.7%</b>	<b>3.4%</b>	<b>5.7%</b>	<b>5.7%</b>
<b>Total, GF/ITF/USF/TF</b>	<b>1.4%</b>	<b>0.0%</b>		<b>\$11,286,575,788</b>	<b>\$12,394,818,392</b>	<b>15.0%</b>	<b>13.0%</b>	<b>0.4%</b>	<b>0.0%</b>

## SUMMARY

In the first eleven months of FY 2023, revenue to the General and Income Tax Funds was just over \$10.6 billion. This represents a year-over-year (YoY) change of -0.3%, remaining behind compared to the full-year consensus target rate of 1.2%. After last month's big wave of individual income tax collections due to the annual individual filer deadline, changes in collections seen this month were relatively subdued. The YoY comparison remained negative for the Income Tax Fund overall, at -5.4%, due to relatively lower final payments collections, though the withholding component of the ITF continued to track positively. Growth continued to soften for Sales & Use Tax, at 5.5% YoY, bringing total General Fund growth to 10.4% YoY. Growth for the Transportation Fund, at 5.7%, was essentially unchanged overall compared to last month.

A major element of economic uncertainty, the standoff over the federal debt ceiling, has for the time being been resolved with a default avoiding deal being reached just before the deadline. While observers breathe a collective sigh of relief, other risks to the economy remain amid a mix of resilient labor markets and persistently high inflation.

## GENERAL FUND

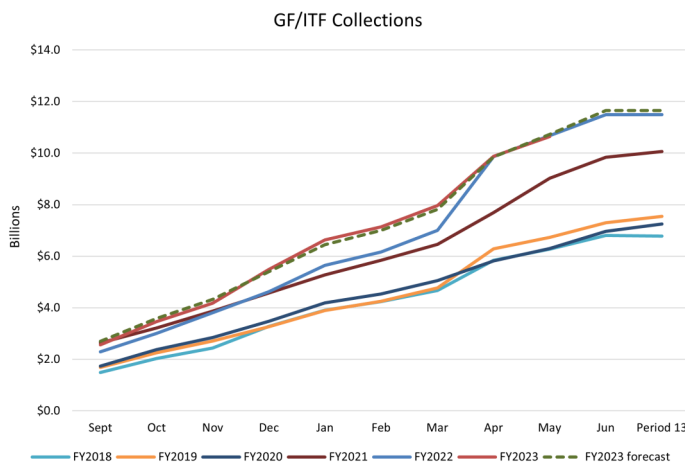
General Fund collections totaled nearly \$3.8 billion in the first eleven months of FY 2023, growing 10.4% YoY but moderating again from last month to just above the consensus estimate of 10.2%. Sales and Use Tax collections were up 5.5% YoY, a further softening from last month's rate. Total taxable sales have weakened recently amid a consumption shift back to services with most categories of retail sales coming in negative YoY over the last few months. Among other sources of revenue to the General Fund, the largest contributors to growth for the fund overall remained investment income, at nearly 1,200% YoY growth, and oil and gas severance tax at a 64% YoY rate.

## INCOME TAX FUND

Income Tax Fund collections reached just over \$6.85 billion in the first eleven months of FY 2023, a YoY change of -5.4%, remaining below the target rate of -3.1%. With the individual filer deadline now passed, marginal final payments collections were minimal this month and are unlikely to increase significantly through the end of the fiscal year. Withholding, however, remained positive YoY at about 5%; this component of individual income tax continues to benefit from wage gains and low unemployment. Looking to corporate collections, this month remained negative, though relatively unchanged, at a rate of -8.2% YoY; this is still tracking better than the annual consensus estimate of -16.5%.

## TRANSPORTATION FUND

Transportation Fund collections amounted to nearly \$650 million in the first eleven months of FY 2023, for a YoY growth rate of 5.7%, compared to the target of 6.0%. Of the two main contributors to the Fund, Motor Fuel Tax showed positive and increased YoY growth again this month at a 4.1% rate, likely benefitting from increased travel as temperatures began to warm as well as the increased rate discussed in prior snapshots, while Special Fuel Tax softened slightly to 5.3% YoY. As the summer travel season gets into full swing, the pressure of a persistently inflationary environment may pose a headwind for Transportation Fund collections, particularly with airfares and prices at the pump trending up again.



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