

MONTHLY STATE REVENUE SNAPSHOT JUNE 2022

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

General Fund	Projected Growth Rate - February Estimates (Annual)	Actual Growth Rate	Projected Range in Collections Through 11 Months	Actual Collections	Condition	Forecast	Jan-22	22-Feb	22-Mar	22-Apr	22-May
Sales & Use Tax	13.6%	18.8%	\$2,471,000,000 - \$3,020,000,000	\$2,870,447,039	On target	\$2,981,794,549	20.4%	20.0%	20.3%	19.1%	18.8%
All Other Sources	4.8%	27.1%	\$454,000,000 - \$555,000,000	\$612,138,852	Above target range	\$588,939,299	12.8%	16.6%	17.8%	17.8%	27.1%
Subtotal General Fund	12.6%	20.1%		\$3,482,585,891			19.3%	19.4%	19.8%	18.9%	20.1%
Sales & Use Tax Set-Asides	12.4%	18.7%	\$826,000,000 - \$1,010,000,000	\$969,146,055	On target	\$1,044,943,971	18.7%	19.4%	19.3%	19.8%	18.7%
Education Fund/Uniform School Fund											
Individual Income Tax	-5.1%	12.8%	\$4,844,000,000 - \$5,920,000,000	\$6,399,083,584	Above target range	\$5,787,974,286	-6.4%	-8.9%	-5.1%	28.7%	12.8%
Corporate Tax	-2.8%	28.7%	\$547,000,000 - \$668,000,000	\$804,532,144	Above target range	\$718,915,829	27.7%	30.1%	34.0%	28.6%	28.7%
All Other Sources	3.8%	136.0%	\$16,000,000 - \$20,000,000	\$41,368,586	Above target range	\$58,827,111	167.1%	174.6%	186.0%	73.1%	136.0%
Subtotal Education Fund	-4.6%	14.8%		\$7,244,984,314			-3.0%	-5.2%	-1.1%	28.8%	14.8%
Subtotal GF/EF	0.6%	16.0%		\$10,727,570,205			4.4%	3.0%	6.0%	25.7%	16.0%
Transportation Fund											
Motor Fuel Tax	6.0%	5.9%	\$321,000,000 - \$393,000,000	\$356,373,175	On target	\$402,439,824	7.9%	5.7%	6.5%	5.4%	5.9%
Special Fuel Tax	-2.2%	3.0%	\$129,000,000 - \$158,000,000	\$151,343,281	On target	\$168,105,276	-1.9%	0.0%	1.1%	-2.5%	3.0%
Other	5.1%	6.1%	\$95,000,000 - \$116,000,000	\$105,994,994	On target	\$120,374,120	5.5%	6.4%	4.9%	7.2%	6.1%
Subtotal Transportation Fund	3.7%	5.2%		\$613,711,450			5.0%	4.4%	4.9%	3.7%	5.2%
Total, GF/EF/USF/TF	0.8%	15.3%		\$11,341,281,655			4.4%	3.1%	5.9%	24.3%	15.3%

SUMMARY

In the first 11 months of FY 2022, revenue to the General and Education Funds totaled over \$10.7 billion, which represents a year-over-year (YoY) increase of 16.0%, compared to a target rate of 0.6% and last month's 25.7% growth. When adjusting for the 2020 filing shift, the target GF/EF growth rate is 9.3%, compared to a shift-adjusted actual growth rate of 27.2%. The moderation since last month's reading is due to the one-month income tax filing delay in FY2021; this month's reading is more reflective of reality.

Our cautionary interpretation of these numbers continues. Sustained high inflation, record-low consumer confidence, a bear stock market, and the Fed's increasingly large interest rate hikes, including June's 75-basis-point jump, are warning signs that should be heeded, in spite of continued strong collections in most of Utah's major tax revenue streams.

GENERAL FUND

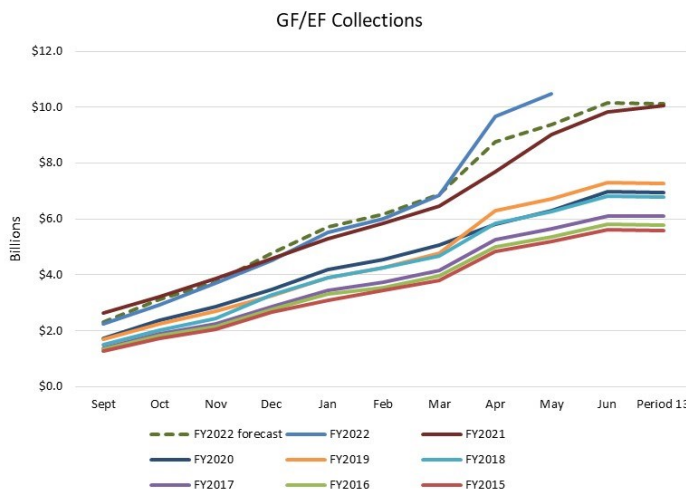
General Fund collections totaled nearly \$3.5 billion in the first 11 months of FY 2022, growing 20.1% YoY, compared to the targeted growth rate of 12.6%. Sales tax collections have moderated slightly over the last two months, likely due to high inflation, changes in purchasing behaviors, as consumers shift back toward services. If declining consumer confidence is any indication, sustained high inflation is likely to continue dampening sales tax collections, although thus far, taxable sales have remained strong.

EDUCATION FUND

Education Fund collections reached over \$7.2 billion in the first 11 months of FY 2022, representing a YoY increase of 14.8%, compared to the target rate of -4.6%. This rate has moderated significantly since last month's reading, which was affected by the 2021 filing deadline shift. Additionally, when adjusting for the 2020 filing delay, which pushed a large amount of collections from FY2020 to FY2021, the growth rate is 31.3%, compared to an adjusted target of 7.8%. Income tax final payments were particularly strong this year, in part resulting from an unusually high level of capital gains, attributed to 2021's strong stock market and housing market performance, as well as strong business income and corporate profits.

TRANSPORTATION FUND

Transportation Fund collections totaled nearly \$614 million in the first 11 months of FY 2022, representing an above-target YoY growth rate of 5.2%. Oil prices are more volatile than ever, particularly as Europe moved to sanction Russian oil, sending the price of oil back to nearly \$120 per barrel. While both motor and special fuel collections increased from April to May, the recent price increase has yet to be reflected in the data and could result in demand destruction and decreased collections, even as consumers head into the summer travel season.



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