

MONTHLY STATE REVENUE SNAPSHOT MAR 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 Through 8 Months	Actual Collections	Year-End Forecast	Nov-22	Dec-22	Jan-23	Feb-23
Sales & Use Tax	6.4%	9.1%	\$1,979,000,000 - \$2,418,000,000	\$2,253,542,302	\$3,297,805,000	12.0%	10.5%	8.9%	9.1%
All Other Sources	28.9%	34.8%	\$480,000,000 - \$587,000,000	\$483,304,991	\$800,493,229	28.3%	29.8%	30.3%	34.8%
Subtotal General Fund	10.2%	12.9%		\$2,736,847,293	\$4,098,298,229	14.7%	13.5%	11.9%	12.9%
Sales & Use Tax Set-Asides	10.9%	11.6%	\$724,000,000 - \$885,000,000	\$780,525,041	\$1,207,400,759	12.3%	13.2%	13.8%	11.6%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	-1.6%	21.5%	\$3,998,000,000 - \$4,886,000,000	\$3,994,873,432	\$6,663,306,667	9.7%	25.3%	24.5%	21.5%
Withholding - Passthrough SALT				\$565,024,512					
Individual Income Tax Excluding Passthrough SALT		4.4%		\$3,429,848,920			8.9%	6.0%	4.4%
Corporate Tax	-16.5%	-11.2%	\$470,000,000 - \$574,000,000	\$374,863,139	\$782,651,333	-29.3%	-6.4%	-9.5%	-11.2%
All Other Sources	19.3%	85.3%	\$69,000,000 - \$84,000,000	\$51,829,648	\$114,556,667	77.1%	94.9%	80.1%	85.3%
Subtotal Income Tax Fund	-3.1%	18.3%		\$4,421,566,219	\$7,560,514,667	6.5%	21.7%	21.0%	18.3%
Subtotal GF/ITF/USF	1.2%	14.9%		\$7,158,413,513	\$11,658,812,895	8.8%	17.6%	16.5%	14.9%
Transportation Fund									
Motor Fuel Tax	2.6%	0.9%	\$246,000,000 - \$301,000,000	\$261,992,582	\$409,781,671	-3.5%	-0.7%	-1.8%	0.9%
Special Fuel Tax	8.4%	3.2%	\$113,000,000 - \$138,000,000	\$112,432,331	\$188,514,159	1.6%	9.0%	6.6%	3.2%
Other	13.4%	8.4%	\$83,000,000 - \$101,000,000	\$77,098,751	\$137,709,667	13.6%	12.0%	12.3%	8.4%
Subtotal Transportation Fund	6.0%	2.7%		\$451,523,664	\$736,005,497	0.3%	3.6%	2.5%	2.7%
Total, GF/ITF/USF/TF	1.4%	14.0%		\$7,609,937,176	\$12,394,818,392	8.2%	16.7%	15.6%	14.0%

SUMMARY

In the first eight months of FY 2023, revenue to the General and Income Tax Funds was just under \$7.2 billion, which represents a year-over-year (YoY) increase of 14.9%, compared to a full-year target rate of 1.2%. This month's growth was a mix of strong collections to the General Fund and relative moderation in collections to the Income Tax and Transportation Funds, overall softening slightly from last month's 16.5% growth but remaining well above the full year growth target of 1.1%.

Last month, the Legislature adopted updated revenue estimates from the Office of the Legislative Fiscal Analyst, the Governor's Office of Planning and Budget, and the Utah State Tax Commission. These revised estimates are reflected in the table above. Compared to the prior estimates as adopted in November 2022, the current forecast overall represents a slight upward revision, though somewhat mixed among the primary components: the General Fund target increased by \$127 million; the Income Tax Fund target decreased by \$115 million, and the Transportation Fund target increased by \$6 million for an overall net upward revision of the targets by \$17 million for the three funds combined.

GENERAL FUND

General Fund collections totaled over \$2.7 billion in the first eight months of FY 2023, growing 12.9% YoY, in line with prior months this fiscal year and ahead of the updated target rate of 10.2%. Sales tax collections were up 9.1% YoY, a slight improvement over last month's rate. In spite of persistently high inflation, taxable sales have been robust and consumer demand remained resilient. Among all other sources of revenue to the General Fund, the largest contributor to the strong growth rate for the Fund overall was investment income, running at a rate of over 1,100% year-over-year growth. Oil and gas severance tax was also a key component, remaining elevated at an 87% year-over-year rate, though this represents the first month since September 2021 with less than triple-digit growth.

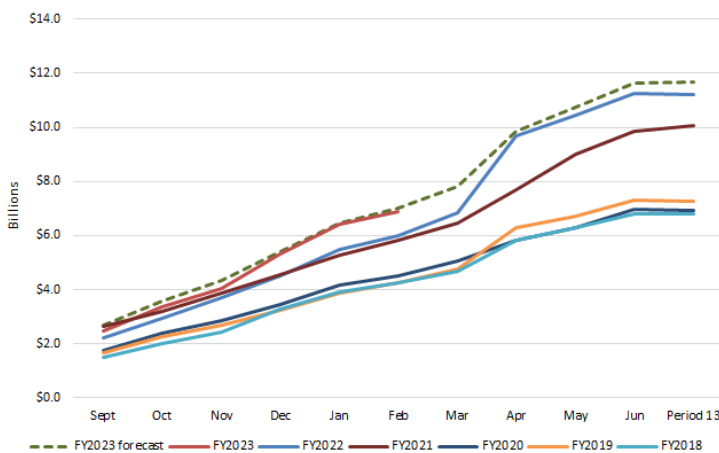
INCOME TAX FUND

Income Tax Fund collections reached just over \$4.4 billion in the first eight months of FY 2023 at a YoY increase of 18.3%. This compares to the revised target of -3.1%. As in previous months, Individual Income Tax collections continue to show elevated growth rates due to payments shifting from March and April to December and January. The effect of this on the growth rate will continue to diminish as the fiscal year progresses, as can be seen in the lower rate this month. Corporate collections remained negative at a rate of -11.2% YoY. As interest rates continue to rise along with input cost inflation, pressure on corporate margins has been high and is likely contributing to that negative growth.

TRANSPORTATION FUND

Transportation Fund collections amounted to over \$450 million in the first eight months of FY 2023, for a YoY growth rate of 2.7%, compared to the updated target of 6.0%. All of the contributors to the Fund showed positive YoY growth this month. However, special fuel tax growth deteriorated once again compared to the prior month, growing at a rate of just 3.2% YoY. With the annual recalculation of fuel tax rates moving up from \$0.319/gallon to \$0.364/gallon as of 1/1/2023, collections included in this month's report reflect the new rate. The bump in the rate was a likely factor in the increased motor fuel tax growth seen this month.

GF/ITF Collections



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