

MONTHLY STATE REVENUE SNAPSHOT OCT 2024

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 3 Months	FY 2025 Actual Collections	FY 2025 Year-End Forecast	Apr-24	May-24	Jun-24	Sep-24
Sales & Use Tax	1.5%	2.1%	\$761,000,000 - \$930,000,000	\$894,316,559	\$3,380,526,000	1.5%	2.0%	1.2%	2.1%
All Other Sources	-6.7%	7.2%	\$186,000,000 - \$228,000,000	\$207,315,378	\$827,542,667	12.9%	9.8%	8.8%	7.2%
Subtotal General Fund	-0.2%	3.0%		\$1,101,631,937	\$4,208,068,667	3.7%	3.6%	2.7%	3.0%
Sales & Use Tax Set-Asides	2.5%	-0.6%	\$280,000,000 - \$343,000,000	\$279,515,369	\$1,246,537,373	4.3%	3.0%	4.3%	-0.6%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	2.9%	3.0%	\$1,451,000,000 - \$1,774,000,000	\$1,337,434,041	\$6,450,318,333	-3.9%	-4.1%	-3.0%	3.0%
Withholding		4.7%		\$1,254,473,791		2.3%	2.1%	3.1%	4.7%
Final Payments (plus SALT Passthrough)		-16.9%		\$82,960,249		-22.7%	-24.3%	-24.2%	-16.9%
Corporate Tax	-4.1%	-1.6%	\$186,000,000 - \$228,000,000	\$173,931,638	\$827,647,667	5.3%	4.4%	1.4%	-1.6%
All Other Sources	-1.4%	5.7%	\$30,000,000 - \$37,000,000	\$20,163,730	\$134,584,333	6.9%	2.6%	-19.6%	5.7%
Subtotal Income Tax Fund	2.0%	2.5%		\$1,531,529,409	\$7,412,550,333	-2.8%	-3.2%	-2.8%	2.5%
Subtotal GF/ITF/USF	1.2%	2.7%		\$2,633,161,346	\$11,620,619,000	-0.5%	-0.8%	-0.8%	2.7%
Transportation Fund									
Motor Fuel Tax	5.1%	11.5%	\$107,000,000 - \$130,000,000	\$123,922,418	\$473,819,000	9.4%	8.6%	7.6%	11.5%
Special Fuel Tax	5.5%	-6.8%	\$45,000,000 - \$55,000,000	\$44,674,707	\$200,445,000	6.2%	6.0%	9.8%	-6.8%
Other	14.9%	23.7%	\$44,000,000 - \$54,000,000	\$41,237,718	\$194,600,000	19.9%	19.1%	18.6%	23.7%
Subtotal Transportation Fund	7.2%	9.1%		\$209,834,843	\$868,864,000	10.5%	9.9%	10.1%	9.1%
Total, GF/ITF/USF/TF	1.6%	3.2%		\$2,842,996,188	\$12,489,483,000	0.1%	-0.1%	-0.2%	3.2%

SUMMARY

In the first three months of FY 2025, revenue to the General and Income Tax Funds was over \$2.6 billion. This represents a year-over-year (YoY) change of 2.7%, ahead of the current target growth rate of 1.2% adopted in February. However, state economists are in the process of preparing revised targets for FY 2025 and a first forecast for FY 2026. Upcoming snapshots will be updated to reflect these new consensus revenue estimates.

In the General Fund, collections grew by 3.0% compared to the same period last year. The Income Tax Fund showed similar growth of 2.5%. Revenue collections this early in the fiscal year tend to be noisy and could change quite a bit as the year progresses. However, early indications show an acceleration of growth compared to last year. This is partially due to the resilient economy with continued employment and output growth but is also partially due to policy changes. FY 2024 growth was somewhat muted by a 0.2% income tax rate cut, while in FY 2025 a smaller rate cut of 0.1% went into effect.

GENERAL FUND

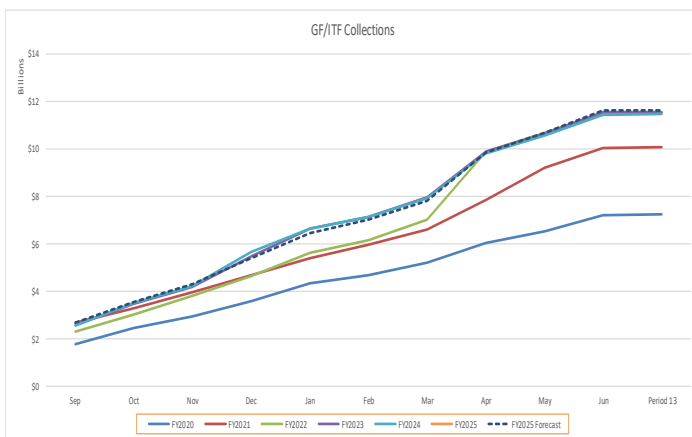
General Fund collections totaled over \$1.1 billion in the first three months of FY 2025, growing 3.0% YoY and outperforming the -0.2% target. However, this target rate, which is in the process of being revised, assumed that the state portion of the sales tax on food would be rescinded beginning Jan 1, 2025, which is no longer a possibility. Additionally, the General Fund growth rate is artificially high due to a transfer accounting delay in the beer, cigarette, and tobacco taxes. While most sources in the General Fund saw strong growth, overall growth was dragged down by a decline in investment income due to lower balances in funds whose interest goes into the General Fund.

INCOME TAX FUND

Income Tax Fund collections were over \$1.5 billion in the first three months of FY 2025, a YoY change of 2.5%, ahead of the forecasted rate of 2.0%. This growth was primarily driven by income tax withholding, which grew at 4.7% compared to the same period last year. Withholding is benefitting from the resilient labor market that continues to post strong employment gains, as well as a smaller income tax rate cut compared to last year. The other major source in the Income Tax Fund, corporate income tax, was down 1.6%. This is a noisy series that will likely show volatile changes in its growth rate throughout the year. However, forecasts show continued growth in corporate profits, which should benefit this source.

TRANSPORTATION FUND

Transportation Fund collections amounted to nearly \$210 million in the first three months of FY 2025, for a YoY growth rate of 9.1%, above the consensus target of 7.2%. Motor fuel tax posted a strong growth rate of 11.5%, well above the target of 5.1%. This is likely due to the two cent increase in the fuel tax rate that went into effect in July. The volatile special fuel source, made up mostly of diesel fuel, posted a negative growth rate, however. The "other" source in the Transportation Fund, showed a very strong growth rate of 23.7%, driven mainly by increases in vehicle registration fees.



A Joint Publication of:



GOVERNOR'S OFFICE OF
Planning & Budget

Oct 28, 2024