

MONTHLY STATE REVENUE SNAPSHOT FEB 2025

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

General Fund	Projected Growth Rate - October Estimates (Annual)	YoY Growth Rate	Projected Range in Collections Through 7 Months	FY 2025 Actual Collections	FY 2025 Year-End Forecast	Oct-24	Nov-24	Dec-24	Jan-25
Sales & Use Tax	2.2%	3.8%	\$1,779,000,000 - \$2,174,000,000	\$2,120,758,781	\$3,388,538,488	1.3%	1.7%	0.4%	3.8%
All Other Sources	-8.6%	-8.1%	\$417,000,000 - \$510,000,000	\$432,516,063	\$795,058,831	-3.0%	-3.6%	-5.8%	-8.1%
Subtotal General Fund	0.0%	1.6%		\$2,553,274,844	\$4,183,597,319	0.4%	0.7%	-0.9%	1.6%
Sales & Use Tax Set-Asides	2.3%	-2.6%	\$654,000,000 - \$800,000,000	\$687,130,947	\$1,246,537,373	-3.0%	1.7%	5.3%	-2.6%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	4.1%	4.0%	\$3,396,000,000 - \$4,151,000,000	\$3,812,626,083	\$6,468,771,400	0.0%	2.4%	5.1%	4.0%
Withholding		2.7%		\$3,084,853,025		1.8%	3.3%	4.6%	2.7%
Final Payments (plus SALT Passthrough)		9.8%		\$727,773,058		-30.5%	-10.9%	7.1%	9.8%
Corporate Tax	-1.0%	-19.1%	\$367,000,000 - \$449,000,000	\$325,319,196	\$874,470,958	-15.3%	-16.0%	-14.5%	-19.1%
All Other Sources	-15.0%	9.5%	\$40,000,000 - \$48,000,000	\$55,127,789	\$150,817,091	-6.5%	-2.8%	10.1%	9.5%
Subtotal Income Tax Fund	3.0%	1.8%		\$4,193,073,068	\$7,494,059,450	-1.6%	0.8%	3.1%	1.8%
Subtotal GF/ITF/USF	1.9%	1.7%		\$6,746,347,911	\$11,677,656,769	-0.7%	0.7%	1.6%	1.7%
Transportation Fund									
Motor Fuel Tax	7.5%	12.1%	\$252,000,000 - \$308,000,000	\$282,814,572	\$479,620,764	10.3%	9.8%	11.5%	12.1%
Special Fuel Tax	3.1%	3.5%	\$107,000,000 - \$130,000,000	\$114,128,103	\$203,017,634	-4.2%	10.5%	9.6%	3.5%
Other	6.8%	21.7%	\$70,000,000 - \$86,000,000	\$98,507,994	\$200,449,785	23.8%	23.7%	26.4%	21.7%
Subtotal Transportation Fund	6.3%	11.7%		\$495,450,669	\$883,088,182	9.0%	12.4%	13.6%	11.7%
Total, GF/ITF/USF/TF	2.2%	2.3%		\$7,241,798,581	\$12,560,744,951	-0.1%	1.6%	2.4%	2.3%

SUMMARY

In the first seven months of FY 2025, revenue to the General and Income Tax Funds was over \$6.7 billion, with a growth rate of 1.7 percent, just below the 1.9 percent target from the October consensus revenue estimates. Looking at the funds individually, the General Fund growth rate was 1.6 percent compared to the projected growth rate of 0.0 percent. This is a 2.5 percentage point increase compared to last month. However, issues related to the allocation of sales tax earmarks understated the growth rate last month and overstate the growth rate this month. The Income Tax Fund grew at 1.8 percent, compared to a projected growth rate of 3.0 percent. This is down from last month, but as last month's Snapshot noted, the December income tax growth rate was likely inflated by timing effects of withholding collections. Updated projected growth rates from the revised February consensus estimates will be incorporated in the next Snapshot.

Looking at total General Fund, Income Tax Fund, and Transportation Fund together, collections increased by 2.3 percent compared to the same period last year, just above the 2.2% projected growth rate from October.

GENERAL FUND

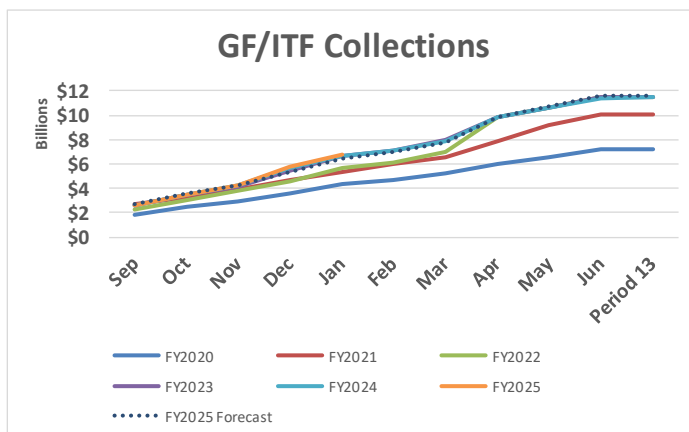
General Fund collections totaled over \$2.5 billion in the first seven months of FY 2025, growing 1.6 percent and outperforming the 0.0 percent target. This was driven by sales tax growth of 3.8 percent. However, this number is artificially inflated by timing issues related to the allocation of sales tax earmarks. Accounting for this brings the growth rate to 2.1 percent. All other sources in the General Fund continued their downward trajectory, declining 8.1 percent year-over-year. This is largely driven by falling investment returns due to lower interest rates and lower interest-generating balances as the state spends down funds accumulated in the post-pandemic period.

INCOME TAX FUND

Income Tax Fund collections were nearly \$4.2 billion in the first seven months of FY 2025, a change of 1.8 percent compared to last year. This growth rate was driven by crosscurrents of strong growth in individual income tax and a steep decline in the corporate income tax. Individual income tax grew at 4.0 percent, slightly below the 4.1 percent projected growth rate. This was driven by notable growth in SALT workaround payments, a decline in refunds, and solid growth in withholding. The deterioration in corporate income tax payments at a time of strongly growing corporate profits may be related to corporations shifting income into 2025 in anticipation of more favorable tax treatment in tax year 2025, in which case collections could materialize later in the fiscal year. We should have a better idea in April whether this is the case.

TRANSPORTATION FUND

Transportation Fund collections amounted to \$495 million in the first seven months of FY 2025, for a YoY growth rate of 11.7 percent. Motor fuel tax posted strong growth of 12.1 percent, though this was inflated by an earmark allocation issue. Total motor fuel tax, which includes restricted and unrestricted funds, grew at 9.5% and is likely a better indicator of growth. The volatile special fuel source, made up mostly of diesel fuel posted growth of 3.5 percent. The "other" source in the Transportation Fund showed a very strong growth rate of 21.7 percent, driven mainly by increased collections from vehicle registration fees.



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