

MONTHLY STATE REVENUE SNAPSHOT

11 | 2019

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

| General Fund | Projected | Actual | Projected Range in Collections Through 4 Months | Actual Collections | Condition | Jun-19 | Sep-19 | Oct-19 |
|-------------------------------------|-----------------------------|----------------|--|------------------------|--------------------|-------------|-------------|-------------|
| | Growth Rate - October | Growth Rate | | | | | | |
| Sales & Use Tax | 6.2% | 4.2% | \$790,000,000 - \$820,000,000 | \$795,489,725 | On target | 4.3% | 4.3% | 4.2% |
| All Other Sources | 7.3% | 3.4% | \$169,000,000 - \$206,000,000 | \$194,074,620 | On target | 1.1% | 5.5% | 3.4% |
| Subtotal General Fund | 6.4% | 4.1% | | \$989,564,345 | | 3.6% | 4.5% | 4.1% |
| Sales & Use Tax Set-Asides | 8.1% | 22.0% | \$225,000,000 - \$233,000,000 | \$264,769,300 | See Note 1 | 9.0% | 18.5% | 22.0% |
| Education Fund/USF | | | | | | | | |
| Individual Income Tax | 2.1% | 11.3% | \$1,140,000,000 - \$1,334,000,000 | \$1,336,066,602 | Above target | 8.3% | 8.1% | 11.3% |
| Corporate Tax | 2.0% | -28.6% | \$120,000,000 - \$221,000,000 | \$109,836,513 | Below target range | 15.5% | -29.5% | -28.6% |
| All Other Sources | -6.4% | -9.5% | \$12,000,000 - \$16,000,000 | \$12,666,847 | On target | 20.4% | -15.7% | -9.5% |
| Subtotal Education Fund | 1.9% | 6.6% | | \$1,458,569,962 | | 9.1% | 2.9% | 6.6% |
| Subtotal GF/EF | 3.5% | 5.5% | | \$2,448,134,307 | | 7.2% | 3.6% | 5.5% |
| Transportation Fund | | | | | | | | |
| Motor Fuel Tax | 0.9% | 2.2% | \$119,000,000 - \$130,000,000 | \$123,821,196 | On target | 2.9% | -2.0% | 2.2% |
| Special Fuel Tax | 1.1% | 15.1% | \$45,000,000 - \$55,000,000 | \$55,503,812 | Above target range | 5.2% | 10.5% | 15.1% |
| Other | -1.8% | 0.9% | \$32,000,000 - \$35,000,000 | \$32,714,000 | On target | 3.2% | 15.4% | 0.9% |
| Subtotal Transportation Fund | 0.5% | 5.1% | | \$212,039,008 | | 3.5% | 3.6% | 5.1% |
| Total, GF/EF/USF/TF | 3.3% | 5.5% | | \$2,660,173,315 | | 6.9% | 3.6% | 5.5% |

Note 1: The sales tax set-aside figure includes revenue from the recently enacted Medicaid sales tax increase of 0.15%.

SUMMARY

Revenue to the General and Education Funds totaled \$2.4 billion through the first four months of FY 2020, representing a year-over-year (YoY) growth rate of 5.5%. The 5.5% growth rate is above the unadjusted consensus revenue target of 3.5%. The revenue target will be updated when the Governor releases his budget proposal in early December. On the General Fund, the actual growth rate of 4.1% is below the growth rate needed to reach last session's target of 6.4%. The revenue growth to the Education Fund of 6.6% is above the 1.9% target. Revenue growth to the Transportation Fund, at 5.1%, is above the current target of 0.5%.

GENERAL FUND

The first four months of FY 2020 revenue to the General Fund reached \$990 million, or 4.1% over revenue collected in the FY 2019. Sales tax revenue is growing at a 4.2% growth rate, while all other revenue sources are growing at a 3.4% growth rate. Revenue growth rates are highly volatile during the first half of a fiscal year. Because of this, one should be careful reading too much into these figures. Lastly, the revenue targets have not been updated for the FY 2019 year-end results.

EDUCATION FUND

Education Fund collections through the first four months of 2020 reached \$1.5 billion, representing a YoY increase of 6.6%. The 6.6% growth rate is largely the result of individual income tax growth of 11.3% and weaker corporate tax payments, which pushed corporate revenue down -28.6%. Also, revenue during the first half of a fiscal year can be volatile. One should be careful interpreting these results. The revenue targets have not been updated since February.

TRANSPORTATION FUND

Transportation Fund collections reached \$212 million through the first four months of FY 2020, up 5.1% over the prior year. This is higher than the 3.3% target. Behind the performance of revenue sources to the Transportation Fund, motor fuel tax is currently up 2.2%. Special fuel is currently up 15.1%, while all the other sources to the Transportation Fund are growing at 0.9%.

