

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

Revenue (In Millions of Dollars)	FY 2017 Final	FY 2018 Consensus	FY 2018 Consensus Growth Rate	FY 2017 Year-to-Date 10/7/2016	FY 2018 Year-to-Date 10/7/2017	FY 2018 Year-to-Date Growth Rate
Sales & Use Tax	\$1,856.75	\$1,944.40	4.7%	\$483.51	\$525.44	8.7%
Individual Income Tax	3,609.45	3,804.75	5.4%	744.58	802.46	7.8%
Corporate Franchise Tax	323.50	343.85	6.3%	75.84	72.59	-4.3%
Beer, Cigarette & Tobacco Taxes	116.27	116.63	0.3%	25.68	24.50	-4.6%
Insurance Premium Tax	122.02	116.21	-4.8%	26.79	29.26	9.2%
Severance Tax	16.14	24.00	48.7%	3.30	4.78	44.8%
Other Sources	277.43	275.15	-0.8%	46.57	50.67	8.8%
Total - General & Education Funds	\$6,321.56	\$6,624.99	4.8%	\$1,406.27	\$1,509.70	7.4%
Motor Fuel Tax	\$348.76	\$360.00	3.2%	91.60	91.48	-0.1%
Special Fuel Tax	134.91	131.00	-2.9%	33.15	32.40	-2.3%
Other Transportation Fund	89.33	93.00	4.1%	20.75	20.30	-2.2%
Total - Transportation Fund	\$573.00	\$584.00	1.9%	\$145.50	\$144.18	-0.9%

SUMMARY

General and Education Fund revenue collections totaled \$1.5 billion for the first three months of FY 2018. That is a year-over-year growth rate of 7.4 percent compared with the first three months of FY 2017. In May, the Executive Appropriations Committee (EAC) set a target growth rate of 4.8 percent for the full year. We expect the growth rate will moderate with time. Given the volatility associated with early collections, we consider current collections within range of full-year expectations.

The volatility of revenue in the early months of a fiscal year is largely due to the size of the revenue base collected compared to the previous fiscal year, timing of payments, economic conditions, and other factors.

GENERAL FUND

General Fund revenue collections totaled \$631 million for the first three months of FY 2018. That is a year-over-year growth rate of 8.2 percent compared with the first three months of FY 2017. In May, EAC set a General Fund target growth rate of 4.0 percent. Behind the performance of the General Fund is better-than-estimated sales tax, which is growing 4.0 percentage points above the estimated target growth rate. This sales tax growth rate may be influenced by Amazon and other collections which were excluded from the first six months of last year's totals but included this year. Liquor profits and insurance premium taxes are also above their target growth rates. On the downside, property credits, severance taxes, cigarette and tobacco collections are all below their target growth rates.

EDUCATION FUND

Education Fund revenue collections reached \$879 million for the first three months of FY 2018. That is a year-over-year growth rate of 6.7 percent for the first three month of FY 2018. In May, EAC set an Education Fund target growth rate of 5.3 percent. Currently performing above target is the individual income tax, growing by about 2.4 percent above the estimated target of 5.4 percent. Corporate tax is currently performing about 10.0 percentage points below the target growth rate for the first three months of FY 2018.

TRANSPORTATION FUND

Transportation Fund revenue collections reached \$144 million for the first three months of FY 2018, about 2.8 percentage points below the estimated EAC target growth rate.

NEW FORMAT!

The Office of the Legislative Fiscal Analyst, Governor's Office of Management and Budget, and Utah State Tax Commission have joined forces to create a clearer, more comprehensive monthly report on revenue collections. The TC-23 has a brand-new look and shows all Tax Commission collections by tax type instead of fund. This report augments the TC-23 by adding revenue not collected by the Tax Commission and comparing the sum to official revenue estimates. We hope these changes allow users to more clearly track collection trends and targets through the budget cycle. We expect the report format will further evolve as we get feedback from users.

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