



September 19, 2016

# General Fund Revenue

August  
Fiscal Year 2016-17





# Revenue Digest

## August 2016

General Fund revenue for the month of August 2016 is up 6.3 percent from last year. Most of the growth stemmed from unusually large Individual Income tax withholding collections. Revenues for the first two months of the fiscal year have grown 3.5 percent year-to-date.

| Revenue Category          | Month-to-Date Growth (% Change) | Year-to-Date Growth (% Change) |
|---------------------------|---------------------------------|--------------------------------|
| Sales and Use Tax         | -5.2                            | -5.2                           |
| Individual Income Tax     | 16.7                            | 8.1                            |
| Corporate Income Tax      | -9.3                            | -26.1                          |
| Corporate License Tax     | -55.5                           | -27.7                          |
| Other Revenues            | -15.8                           | -13.7                          |
| <b>Total General Fund</b> | <b>6.3</b>                      | <b>3.5</b>                     |

- Sales and Use tax revenue declined 5.2 percent for the month of August and also declined 5.2 percent for the fiscal year. The majority of the decline is the result of automobile sales taxes being transferred from the General Fund to the Department of Transportation. The Department of Revenue also encountered a computer programming problem resulting in a delay in posting of some sales receipts. After adjusting for \$31.4 million of delayed sales tax deposits, Sales and Use tax revenue growth is 8.0 percent for the fiscal year.
- Individual Income tax revenue grew 16.7 percent in August primarily from an increase in Individual Income tax withholdings of 15.8 percent. The Individual Income tax growth year-to-date is 8.1 percent.
- Corporate Income tax revenue declined 9.3 percent in August and has posted a 26.1 percent decline for the fiscal year.
- Other Revenues declined 15.8 percent in August from one year ago and have declined 13.7 percent year-to-date.

### Summary

The official BEA General Fund revenue projection is for 4.8 percent growth in FY2016-17. After accounting for the \$16.8 million revenue shortfall in FY2015-16, another \$78.2 million in revenue reductions accounted for in the FY2016-17 Appropriation Act, and \$19.8 million in revenue reduction passed by separate legislation after the budget was completed, the adjusted revenue projection is for 3.7 percent growth in FY2016-17. After adjusting for the delayed deposits in Sales and Use tax revenue, the total General Fund revenue may be adjusted from 3.5 percent growth year-to-date to 6.6 percent year-to-date through August. September will be an influential month as it is a quarter-end and affected by quarterly filings.





Table 1

August

| General Fund Revenue              | FY 2015-16           | FY 2016-17           | \$ Change           | % Change   |
|-----------------------------------|----------------------|----------------------|---------------------|------------|
| Sales and Use Tax                 | \$238,338,086        | \$226,017,766        | (\$12,320,320)      | (5.2)      |
| Individual Income Tax             | 353,197,765          | 412,275,375          | 59,077,610          | 16.7       |
| Corporation Income Tax            | 5,709,138            | 5,191,086            | (518,052)           | (9.1)      |
| Insurance Taxes                   | 4,796,446            | 1,574,284            | (3,222,162)         | (67.2)     |
| Admissions Tax                    | (4,142,714)          | (4,122,251)          | 20,463              | 0.5        |
| Aircraft Tax                      | 0                    | 0                    | 0                   | ---        |
| Alcoholic Liquor Tax              | 6,478,833            | 7,020,209            | 541,376             | 8.4        |
| Bank Tax                          | (1,025,762)          | 407,165              | 1,432,927           | 139.7      |
| Beer and Wine Tax                 | 9,664,588            | 9,595,297            | (69,291)            | (0.7)      |
| Bingo Tax                         | 320,228              | 229,142              | (91,086)            | (28.4)     |
| Business Filing Fees              | 444,223              | 479,664              | 35,441              | 8.0        |
| Circuit/Family Court Fines        | 604,932              | 1,080,527            | 475,595             | 78.6       |
| Corporation License Tax           | 2,728,447            | 1,213,590            | (1,514,857)         | (55.5)     |
| Documentary Tax                   | 4,129,579            | 4,150,569            | 20,990              | 0.5        |
| Earned on Investments             | 1,334,294            | 2,574,428            | 1,240,134           | 92.9       |
| Indirect Cost Recoveries          | 670,252              | 155,684              | (514,568)           | (76.8)     |
| Motor Vehicle Licenses            | 791,967              | 803,367              | 11,400              | 1.4        |
| Nursing Home Fees                 | 0                    | 0                    | 0                   | ---        |
| Parole and Probation Fees         | 282,734              | 282,734              | 0                   | 0.0        |
| Private Car Lines Tax             | 50,131               | 2,871                | (47,260)            | (94.3)     |
| Public Service Authority          | 0                    | 0                    | 0                   | ---        |
| Purchasing Card Rebates           | 0                    | 0                    | 0                   | ---        |
| Record Search Fees                | 0                    | 0                    | 0                   | ---        |
| Savings and Loan Assoc. Tax       | (2,000)              | 0                    | 2,000               | 100.0      |
| Security Dealer Fees              | 0                    | 0                    | 0                   | ---        |
| Surcharge on Vehicle Rentals      | 30                   | 50,535               | 50,505              | 168,350.0  |
| Tobacco Tax                       | 2,321,401            | 1,741,497            | (579,904)           | (25.0)     |
| Uncashed Checks                   | 4,757,961            | 0                    | (4,757,961)         | (100.0)    |
| Unclaimed Property Fund           | 0                    | 0                    | 0                   | ---        |
| Workers' Comp. Insurance Tax      | (999,525)            | (940,166)            | 59,359              | 5.9        |
| Other Source Revenues             | 734,797              | 1,193,259            | 458,462             | 62.4       |
| <b>Gross General Fund Revenue</b> | <b>\$631,185,830</b> | <b>\$670,976,630</b> | <b>\$39,790,800</b> | <b>6.3</b> |

Note: Gross General Fund Revenue includes Individual Income and Corporate Income tax revenue that is transferred for Property Tax Relief Trust Fund pursuant to §11-11-150.



Table 2

July - August

| General Fund Revenue              | FY 2015-16             | FY 2016-17             | \$ Change           | % Change   |
|-----------------------------------|------------------------|------------------------|---------------------|------------|
| Sales and Use Tax                 | \$238,338,086          | \$226,017,808          | (\$12,320,278)      | (5.2)      |
| Individual Income Tax             | 734,103,461            | 793,343,544            | 59,240,083          | 8.1        |
| Corporation Income Tax            | 19,076,344             | 14,095,903             | (4,980,441)         | (26.1)     |
| Insurance Taxes                   | 6,526,167              | 2,630,730              | (3,895,437)         | (59.7)     |
| Admissions Tax                    | (4,142,714)            | (4,122,251)            | 20,463              | 0.5        |
| Aircraft Tax                      | 281                    | 0                      | (281)               | (100.0)    |
| Alcoholic Liquor Tax              | 4,988,579              | 5,557,053              | 568,474             | 11.4       |
| Bank Tax                          | (1,844,304)            | 1,013,355              | 2,857,659           | 154.9      |
| Beer and Wine Tax                 | 9,945,286              | 9,777,812              | (167,474)           | (1.7)      |
| Bingo Tax                         | 332,228                | 240,142                | (92,086)            | (27.7)     |
| Business Filing Fees              | 692,790                | 744,820                | 52,030              | 7.5        |
| Circuit/Family Court Fines        | 1,315,614              | 1,306,028              | (9,586)             | (0.7)      |
| Corporation License Tax           | 3,712,293              | 2,684,034              | (1,028,259)         | (27.7)     |
| Documentary Tax                   | 4,129,579              | 4,150,569              | 20,990              | 0.5        |
| Earned on Investments             | 2,849,253              | 4,746,963              | 1,897,710           | 66.6       |
| Indirect Cost Recoveries          | 1,099,557              | 303,953                | (795,604)           | (72.4)     |
| Motor Vehicle Licenses            | 526,184                | 319,502                | (206,682)           | (39.3)     |
| Nursing Home Fees                 | 0                      | 0                      | 0                   | ---        |
| Parole and Probation Fees         | 565,468                | 565,468                | 0                   | 0.0        |
| Private Car Lines Tax             | 48,296                 | 15,443                 | (32,853)            | (68.0)     |
| Public Service Authority          | 0                      | 0                      | 0                   | ---        |
| Purchasing Card Rebates           | 0                      | 0                      | 0                   | ---        |
| Record Search Fees                | 0                      | 0                      | 0                   | ---        |
| Savings and Loan Assoc. Tax       | 8,025                  | 564,000                | 555,975             | 6,928.0    |
| Security Dealer Fees              | 0                      | 0                      | 0                   | ---        |
| Surcharge on Vehicle Rentals      | 1,853                  | 51,733                 | 49,880              | 2,691.9    |
| Tobacco Tax                       | 2,321,401              | 1,741,497              | (579,904)           | (25.0)     |
| Uncashed Checks                   | 4,757,961              | 0                      | (4,757,961)         | (100.0)    |
| Unclaimed Property Fund           | 0                      | 0                      | 0                   | ---        |
| Workers' Comp. Insurance Tax      | (1,799,175)            | (1,740,166)            | 59,009              | 3.3        |
| Other Source Revenues             | 2,219,391              | 1,934,117              | (285,274)           | (12.9)     |
| <b>Gross General Fund Revenue</b> | <b>\$1,029,771,904</b> | <b>\$1,065,942,057</b> | <b>\$36,170,153</b> | <b>3.5</b> |

Note: Gross General Fund Revenue includes Individual Income and Corporate Income tax revenue that is transferred for Property Tax Relief Trust Fund pursuant to §11-11-150.