



September 25, 2018 Release

General Fund Revenue

August
Fiscal Year 2018-19





Revenue Digest

August 2018

General Fund revenue increased 8.1 percent during the month of August 2018 from August 2017. The monthly revenue gain was the result of strong Individual Income tax withholdings and the receipt of a Corporation Income tax audit received in August. Revenues through August 2018 have grown 9.2 percent year-to-date.

Revenue Category	Month-to-Date Growth (percent change)	Year-to-Date Growth (percent change)
Sales and Use Tax	4.4	4.4
Individual Income Tax	9.0	8.0
Corporate Income Tax	185.8	133.4
Corporate License Tax	-86.7	-52.1
Other Revenues	2.0	7.1
Total General Fund	8.1	9.2

- Sales and Use tax revenue increased 4.4 percent for the month of August resulting in year-to-date growth of 4.4 percent. Retail sales tax collections have not experienced much momentum since the past holiday season, and have not kept pace with recent national retail sales trends. The cumulative Sales and Use tax revenue growth through August 2018 is running slightly ahead of the 3.7 percent revenue forecast for FY2018-19.
- The Individual Income tax revenue increased 9.0 percent during the month of August mainly from strong growth in Individual Income tax withholdings. Employer withholding tax activity was up \$30.5 million when comparing August 2018 to August 2017. Continued job growth and a state unemployment rate near a 20-year low has contributed to positive withholding growth. Total Individual Income tax revenue growth is 8.0 percent year-to-date through August 2018 and is well above the 0.4 percent revenue forecast for FY2018-19.
- Corporate Income tax revenue increased 185.8 percent in August 2018 primarily from the settlement of a single audit payment for \$11.4 million received. The Corporation Income tax has increased 133.4 percent through the first two months of FY2018-19.
- Other Revenues increased 2.0 percent in August 2018 from one year ago and have increased 7.1 percent year-to-date from a variety of sources and timing of receipts. The implementation of a new computer system at the Department of Revenue delayed the recordation of each of the “sin” tax revenues (alcohol, beer, wine, and tobacco) in August





2017 causing a distorted increase in those revenue categories in August 2018. Other Revenues have also benefitted from strong Interest Earnings on state General Fund investments.

Summary

Through the first two months of FY2018-19, General Fund revenues have increased 9.2 percent and are trending above the growth rate of 1.5 percent needed to meet the estimate for FY2018-19. The current Board of Economic Advisors' (BEA) revenue forecast is based upon an employment growth rate of 1.8 percent and a personal income growth rate of 4.25 percent in FY2018-19.

The BEA will meet with its Regional Advisory Committee in October 2018 to receive input about the health of the state economy and revenues from a group of business leaders and academics. The BEA will adopt and release a revised General Fund revenue forecast for FY2018-19 and a preliminary General Fund revenue forecast for FY2019-20 in November 2018.





Table 1

August

General Fund Revenue	FY 2017-18	FY 2018-19	\$ Change	% Change
Sales and Use Tax	\$253,134,481	\$264,228,941	\$11,094,460	4.4
Individual Income Tax	396,891,863	432,652,519	35,760,656	9.0
Corporation Income Tax	5,741,424	16,410,415	10,668,991	185.8
Insurance Taxes	5,475,495	1,253,817	(4,221,678)	(77.1)
Admissions Tax	(4,600,019)	(4,500,622)	99,397	---
Aircraft Tax	0	0	0	---
Alcoholic Liquor Tax	5,243,285	7,910,416	2,667,131	50.9
Bank Tax	12,076	141,172	129,096	1,069.0
Beer and Wine Tax	8,404,241	10,052,154	1,647,913	19.6
Bingo Tax	96,134	(119,032)	(215,166)	(223.8)
Business Filing Fees	513,234	588,582	75,348	14.7
Circuit/Family Court Fines	355,018	816,926	461,908	130.1
Corporation License Tax	2,764,219	368,655	(2,395,564)	(86.7)
Documentary Tax	7,870,073	6,833,949	(1,036,124)	---
Earned on Investments	4,285,593	5,676,907	1,391,314	32.5
Indirect Cost Recoveries	219,026	189,198	(29,828)	(13.6)
Motor Vehicle Licenses	1,336,688	1,102,349	(234,339)	(17.5)
Nursing Home Fees	0	0	0	---
Parole and Probation Fees	565,468	282,734	(282,734)	---
Private Car Lines Tax	1,194	(212)	(1,406)	---
Public Service Authority	0	0	0	---
Purchasing Card Rebates	0	0	0	---
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	(477,000)	1,148,500	1,625,500	340.8
Security Dealer Fees	0	0	0	---
Surcharge on Vehicle Rentals	(1,030,431)	(2,953,666)	(1,923,235)	(186.6)
Tobacco Tax	2,177,428	2,352,159	174,731	---
Uncashed Checks	(196)	0	196	100.0
Unclaimed Property Fund	0	0	0	---
Workers' Comp. Insurance Tax	(999,425)	(999,625)	(200)	(0.0)
Other Source Revenues	1,117,238	1,392,719	275,481	24.7
Gross General Fund Revenue	\$689,097,104	\$744,828,956	\$55,731,852	8.1

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 2017-18	FY 2018-19	\$ Change	% Change
Sales and Use Tax	\$253,134,502	\$264,228,941	\$11,094,439	4.4
Individual Income Tax	804,528,432	868,995,757	64,467,325	8.0
Corporation Income Tax	20,373,569	47,545,325	27,171,756	133.4
Insurance Taxes	6,967,340	2,270,350	(4,696,990)	(67.4)
Admissions Tax	(4,600,019)	(4,500,622)	99,397	---
Aircraft Tax	0	0	0	---
Alcoholic Liquor Tax	3,601,817	6,484,362	2,882,545	80.0
Bank Tax	176,403	196,832	20,429	11.6
Beer and Wine Tax	8,688,037	10,508,362	1,820,325	21.0
Bingo Tax	109,134	(113,032)	(222,166)	(203.6)
Business Filing Fees	724,953	815,679	90,726	12.5
Circuit/Family Court Fines	1,275,276	1,274,555	(721)	(0.1)
Corporation License Tax	4,836,675	2,317,953	(2,518,722)	(52.1)
Documentary Tax	7,870,073	6,833,949	(1,036,124)	---
Earned on Investments	5,421,423	9,220,373	3,798,950	70.1
Indirect Cost Recoveries	330,139	288,990	(41,149)	(12.5)
Motor Vehicle Licenses	1,097,216	756,527	(340,689)	(31.1)
Nursing Home Fees	0	0	0	---
Parole and Probation Fees	565,468	565,468	0	---
Private Car Lines Tax	1,194	23,903	22,709	---
Public Service Authority	0	0	0	---
Purchasing Card Rebates	0	0	0	---
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	53,000	1,124,475	1,071,475	2,021.7
Security Dealer Fees	0	0	0	---
Surcharge on Vehicle Rentals	214,473	(811,798)	(1,026,271)	(478.5)
Tobacco Tax	2,177,428	2,353,498	176,070	---
Uncashed Checks	(221)	(115,803)	(115,582)	(52,299.5)
Unclaimed Property Fund	0	0	0	---
Workers' Comp. Insurance Tax	(1,799,100)	(1,799,125)	(25)	(0.0)
Other Source Revenues	2,287,351	2,293,291	5,940	0.3
Gross General Fund Revenue	\$1,118,034,560	\$1,220,758,211	\$102,723,651	9.2

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.