



October 17, 2019 Release

General Fund Revenue

September
Fiscal Year 2019-20





Revenue Digest

September 2019

General Fund revenue increased 10.0 percent, or \$97.0 million, during the month of September 2019 from September 2018. Much of the monthly revenue increase was from the Big 3 taxes – the Sales and Use tax, the Individual Income tax, and the Corporate Income tax. Revenues through September 2019 have grown 7.3 percent, or \$159.0 million year-to-date. The General Fund revenue estimate for FY2019-20 is scheduled to be reevaluated on November 8, 2019.

Revenue Category	Month-to-Date Growth (percent change)	Year-to-Date Growth (percent change)
Sales and Use Tax	8.9	10.0
Individual Income Tax	13.5	6.9
Corporate Income Tax	34.3	0.5
Corporate License Tax	-25.2	38.7
Other Revenues	-12.3	5.5
Total General Fund	10.0	7.3

- Sales and Use tax revenue increased \$23.2 million, or 8.9 percent, for the month of September resulting in year-to-date growth of 10.0 percent. The inclusion of \$30.4 million in remote internet sales taxes that states are now permitted to collect for sales made in their state by companies that lack a physical presence under the *Wayfair* decision since November 2018 has impacted Sales and Use tax revenue as the Department of Revenue continues to register additional out-of-state retailers. During the first two months of FY2019-20, the Department of Revenue has collected \$6.9 million in remote internet sales taxes. This event has caused the monthly and year-to-date Sales and Use tax growth rates to be upwardly distorted. By November 2019, the growth rates should begin to converge to a more meaningful comparison of revenue growth. Also, the Marketplace Facilitator Act was enacted during May 2019. This act requires third-party sellers to remit sales and use tax based upon where the retail sale occurred and approximately \$9.7 million has been collected this fiscal year. The Board of Economic Advisors (BEA) will continue to monitor this event and its impact on the FY2019-20 revenue estimate.
- The Individual Income tax revenue increased \$65.6 million, or 13.5 percent, during the month of September 2019. The major contributor was an increase in Individual Income tax withholdings. Individual Income tax withholdings continue to reflect strong employment growth in the State and grew by \$54.4 million in September and have grown 7.1 percent through September 2019.





- The Corporation Income tax, the most volatile of the largest revenue categories, increased 34.3 percent in June 2019 compared to the same month one year ago. Overall, the Corporate Income tax has increased 0.5 percent year-to-date through September 2019 after reaching an all-time record high in FY2018-19.
- Other Revenues decreased 12.3 percent in September 2019 from one year ago and have increased 5.5 percent year-to-date from a variety of sources and timing of receipts. Other Revenues have benefitted from strong Interest Earnings on state General Fund investments and the Corporate License tax.

Summary

Through the first three months of FY2019-20, General Fund revenues have increased 7.3 percent and are trending above the growth rate of -0.8 percent needed to meet the revenue estimate for FY2019-20. Pursuant to Section 11-9-890, total General Fund revenue collections through the first quarter of FY2019-20 have exceeded the quarterly revenue estimate. At this time, no budget adjustments are warranted. As previously noted, the FY2019-20 revenue forecast will be reviewed at the Board of Economic Advisor's meeting on November 8th and revisions to the forecast will be addressed at that time.

To date, the state economy is tracking the forecast growth rates of employment and personal income. In February 2019, when the last official revenue estimate was made, the Board of Economic Advisors reaffirmed an employment growth rate of 1.6 percent and a personal income growth rate of 4.25 percent in FY2019-20. Revised employment figures show that job growth is expanding at an average rate of growth of 1.5 percent through the first two months in FY2019-20 compared to FY2018-19. Personal income is growing at a revised annual rate of 5.4 in FY2018-19 percent based on the latest available figures.





Table 1

September

General Fund Revenue	FY 2018-19	FY 2019-20	\$ Change	% Change
Sales and Use Tax	\$261,414,789	\$284,572,852	\$23,158,063	8.9
Individual Income Tax	486,385,021	551,979,850	65,594,829	13.5
Corporation Income Tax	77,260,575	103,727,710	26,467,135	34.3
Insurance Taxes	75,929,531	54,953,379	(20,976,152)	(27.6)
Admissions Tax	3,792,351	3,781,092	(11,259)	(0.3)
Aircraft Tax	1,193	0	(1,193)	(100.0)
Alcoholic Liquor Tax	6,353,344	6,421,603	68,259	1.1
Bank Tax	14,687,427	9,831,060	(4,856,367)	(33.1)
Beer and Wine Tax	10,130,668	9,878,251	(252,417)	(2.5)
Bingo Tax	(97,822)	(5,847)	91,975	94.0
Business Filing Fees	488,700	538,973	50,273	10.3
Circuit/Family Court Fines	293,906	431,247	137,341	46.7
Corporation License Tax	5,348,717	3,998,434	(1,350,283)	(25.2)
Documentary Tax	8,502,309	7,192,955	(1,309,354)	(15.4)
Earned on Investments	5,567,994	12,417,767	6,849,773	123.0
Indirect Cost Recoveries	251,153	218,215	(32,938)	(13.1)
Motor Vehicle Licenses	1,113,721	1,592,098	478,377	43.0
Nursing Home Fees	0	0	0	---
Parole and Probation Fees	282,734	282,734	0	0.0
Private Car Lines Tax	7,512	370	(7,142)	(95.1)
Public Service Authority	0	0	0	---
Purchasing Card Rebates	0	0	0	---
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	(1,030,308)	1,081,500	2,111,808	205.0
Security Dealer Fees	506,112	806,225	300,113	59.3
Surcharge on Vehicle Rentals	(258,229)	6,041	264,270	102.3
Tobacco Tax	2,523,021	2,096,883	(426,138)	(16.9)
Uncashed Checks	(306,579)	4,111,697	4,418,276	1,441.2
Unclaimed Property Fund	3,750,000	0	(3,750,000)	(100.0)
Workers' Comp. Insurance Tax	3,718,495	3,277,838	(440,657)	(11.9)
Other Source Revenues	823,671	1,294,892	471,221	57.2
Gross General Fund Revenue	\$967,440,006	\$1,064,487,819	\$97,047,813	10.0

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 - September

General Fund Revenue	FY 2018-19	FY 2019-20	\$ Change	% Change
Sales and Use Tax	\$525,643,730	\$578,158,470	\$52,514,740	10.0
Individual Income Tax	1,355,380,778	1,448,690,785	93,310,007	6.9
Corporation Income Tax	124,805,900	125,387,251	581,351	0.5
Insurance Taxes	78,199,881	60,992,225	(17,207,656)	(22.0)
Admissions Tax	(708,271)	(777,924)	(69,653)	(9.8)
Aircraft Tax	1,193	0	(1,193)	(100.0)
Alcoholic Liquor Tax	12,837,706	12,596,454	(241,252)	(1.9)
Bank Tax	14,884,259	15,458,078	573,819	3.9
Beer and Wine Tax	20,639,030	20,801,702	162,672	0.8
Bingo Tax	(210,854)	(5,851)	205,003	97.2
Business Filing Fees	1,304,379	1,408,325	103,946	8.0
Circuit/Family Court Fines	1,568,461	1,472,458	(96,003)	(6.1)
Corporation License Tax	7,666,670	10,632,623	2,965,953	38.7
Documentary Tax	15,336,258	15,154,942	(181,316)	(1.2)
Earned on Investments	14,788,367	32,214,026	17,425,659	117.8
Indirect Cost Recoveries	540,143	884,965	344,822	63.8
Motor Vehicle Licenses	1,870,248	1,752,785	(117,463)	(6.3)
Nursing Home Fees	0	0	0	---
Parole and Probation Fees	848,202	848,202	0	---
Private Car Lines Tax	31,415	(5,145)	(36,560)	(116.4)
Public Service Authority	0	0	0	---
Purchasing Card Rebates	0	0	0	---
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	94,167	4,188,565	4,094,398	4,348.0
Security Dealer Fees	506,112	806,225	300,113	59.3
Surcharge on Vehicle Rentals	(258,427)	9,959	268,386	103.9
Tobacco Tax	4,876,519	4,280,476	(596,043)	(12.2)
Uncashed Checks	(422,382)	3,736,989	4,159,371	984.7
Unclaimed Property Fund	3,750,000	3,750,000	0	---
Workers' Comp. Insurance Tax	1,919,370	873,482	(1,045,888)	(54.5)
Other Source Revenues	3,116,963	4,701,559	1,584,596	50.8
Gross General Fund Revenue	\$2,189,009,817	\$2,348,011,626	\$159,001,809	7.3

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 1

August

General Fund Revenue	FY 2018-19	FY 2019-20	\$ Change	% Change
Sales and Use Tax	\$264,228,941	\$293,585,618	\$29,356,677	11.1
Individual Income Tax	432,652,520	438,387,476	5,734,956	1.3
Corporation Income Tax	16,410,415	5,418,025	(10,992,390)	(67.0)
Insurance Taxes	1,253,817	3,000,993	1,747,176	139.3
Admissions Tax	(4,500,622)	(4,559,016)	(58,394)	(1.3)
Aircraft Tax	0	0	0	---
Alcoholic Liquor Tax	7,910,415	8,039,312	128,897	1.6
Bank Tax	141,172	913,107	771,935	546.8
Beer and Wine Tax	10,052,154	10,378,722	326,568	3.2
Bingo Tax	(119,032)	(10,104)	108,928	91.5
Business Filing Fees	588,582	613,461	24,879	4.2
Circuit/Family Court Fines	816,926	607,478	(209,448)	(25.6)
Corporation License Tax	368,655	1,748,299	1,379,644	374.2
Documentary Tax	6,833,949	7,961,987	1,128,038	16.5
Earned on Investments	5,676,907	8,185,412	2,508,505	44.2
Indirect Cost Recoveries	189,199	511,610	322,411	170.4
Motor Vehicle Licenses	1,102,349	1,027,831	(74,518)	(6.8)
Nursing Home Fees	0	0	0	---
Parole and Probation Fees	282,734	282,734	0	0.0
Private Car Lines Tax	(212)	59	271	127.8
Public Service Authority	0	0	0	---
Purchasing Card Rebates	0	0	0	---
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	1,148,500	5,247	(1,143,253)	(99.5)
Security Dealer Fees	0	0	0	---
Surcharge on Vehicle Rentals	(2,953,667)	(3,018,683)	(65,016)	(2.2)
Tobacco Tax	2,352,159	2,171,226	(180,933)	(7.7)
Uncashed Checks	0	(129,475)	(129,475)	---
Unclaimed Property Fund	0	3,750,000	3,750,000	---
Workers' Comp. Insurance Tax	(999,625)	(799,650)	199,975	20.0
Other Source Revenues	1,392,719	2,253,951	861,232	61.8
Gross General Fund Revenue	\$744,828,955	\$780,325,620	\$35,496,665	4.8

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 2018-19	FY 2019-20	\$ Change	% Change
Sales and Use Tax	\$264,228,941	\$293,585,618	\$29,356,677	11.1
Individual Income Tax	868,995,757	896,710,935	27,715,178	3.2
Corporation Income Tax	47,545,325	21,659,541	(25,885,784)	(54.4)
Insurance Taxes	2,270,350	6,038,846	3,768,496	166.0
Admissions Tax	(4,500,622)	(4,559,016)	(58,394)	---
Aircraft Tax	0	0	0	---
Alcoholic Liquor Tax	6,484,362	6,174,851	(309,511)	(4.8)
Bank Tax	196,832	5,627,018	5,430,186	2,758.8
Beer and Wine Tax	10,508,362	10,923,451	415,089	4.0
Bingo Tax	(113,032)	(4)	113,028	100.0
Business Filing Fees	815,679	869,352	53,673	6.6
Circuit/Family Court Fines	1,274,555	1,041,211	(233,344)	(18.3)
Corporation License Tax	2,317,953	6,634,189	4,316,236	186.2
Documentary Tax	6,833,949	7,961,987	1,128,038	---
Earned on Investments	9,220,373	19,796,259	10,575,886	114.7
Indirect Cost Recoveries	288,990	666,750	377,760	130.7
Motor Vehicle Licenses	756,527	160,687	(595,840)	(78.8)
Nursing Home Fees	0	0	0	---
Parole and Probation Fees	565,468	565,468	0	---
Private Car Lines Tax	23,903	(5,515)	(29,418)	---
Public Service Authority	0	0	0	---
Purchasing Card Rebates	0	0	0	---
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	1,124,475	3,107,065	1,982,590	176.3
Security Dealer Fees	0	0	0	---
Surcharge on Vehicle Rentals	(811,798)	(784,720)	27,078	3.3
Tobacco Tax	2,353,498	2,183,593	(169,905)	---
Uncashed Checks	(115,803)	(374,708)	(258,905)	(223.6)
Unclaimed Property Fund	0	3,750,000	3,750,000	---
Workers' Comp. Insurance Tax	(1,799,125)	(2,404,356)	(605,231)	(33.6)
Other Source Revenues	2,293,292	3,406,667	1,113,375	48.5
Gross General Fund Revenue	\$1,220,758,211	\$1,282,735,169	\$61,976,958	5.1

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 1

July

General Fund Revenue	FY 2018-19	FY 2019-20	\$ Change	% Change
Sales and Use Tax	\$0	\$0	\$0	---
Individual Income Tax	436,343,237	458,323,459	21,980,222	5.0
Corporation Income Tax	31,134,910	16,241,516	(14,893,394)	(47.8)
Insurance Taxes	1,016,533	3,037,853	2,021,320	198.8
Admissions Tax	0	0	0	---
Aircraft Tax	0	0	0	---
Alcoholic Liquor Tax	(1,426,053)	(1,864,461)	(438,408)	(30.7)
Bank Tax	55,660	4,713,911	4,658,251	8,369.1
Beer and Wine Tax	456,208	544,729	88,521	19.4
Bingo Tax	6,000	10,100	4,100	68.3
Business Filing Fees	227,097	255,891	28,794	12.7
Circuit/Family Court Fines	457,629	433,733	(23,896)	(5.2)
Corporation License Tax	1,949,298	4,885,890	2,936,592	150.6
Documentary Tax	0	0	0	---
Earned on Investments	3,543,466	11,610,847	8,067,381	227.7
Indirect Cost Recoveries	99,791	155,140	55,349	55.5
Motor Vehicle Licenses	(345,822)	(867,144)	(521,322)	(150.7)
Nursing Home Fees	0	0	0	---
Parole and Probation Fees	282,734	282,734	0	---
Private Car Lines Tax	24,115	(5,574)	(29,689)	---
Public Service Authority	0	0	0	---
Purchasing Card Rebates	0	0	0	---
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	(24,025)	3,101,818	3,125,843	13,010.8
Security Dealer Fees	0	0	0	---
Surcharge on Vehicle Rentals	2,141,869	2,233,963	92,094	4.3
Tobacco Tax	1,339	12,367	11,028	---
Uncashed Checks	(115,803)	(245,233)	(129,430)	(111.8)
Unclaimed Property Fund	0	0	0	---
Workers' Comp. Insurance Tax	(799,500)	(1,604,706)	(805,206)	(100.7)
Other Source Revenues	900,573	1,152,716	252,143	28.0
Gross General Fund Revenue	\$475,929,256	\$502,409,549	\$26,480,293	5.6

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.



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General Fund Revenue	FY 2018-19	FY 2019-20	\$ Change	% Change
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Corporation Income Tax	31,134,910	16,241,516	(14,893,394)	(47.8)
Insurance Taxes	1,016,533	3,037,853	2,021,320	198.8
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Aircraft Tax	0	0	0	---
Alcoholic Liquor Tax	(1,426,053)	(1,864,461)	(438,408)	(30.7)
Bank Tax	55,660	4,713,911	4,658,251	8,369.1
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Bingo Tax	6,000	10,100	4,100	68.3
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Public Service Authority	0	0	0	---
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