

Monthly Revenue Update

April 2020



Revenue collections of \$2.18 billion in April were below monthly projections released by the Independent Fiscal Office (IFO) in August 2019 by \$2.16 billion (-49.8 percent), largely due to the impact of continued business closures and other mitigation efforts to slow the spread of the COVID-19 virus. The IFO estimates that the shortfall is almost entirely attributable to the virus and consists of: (1) \$385 million in lost revenue due to reduced economic activity, (2) \$140 million in processing delays or delayed due dates (expected to resolve in the current fiscal year) and (3) \$1.60 billion that will shift to fiscal year (FY) 2020-21 as a result of extended tax due dates. Fiscal-year-to-date (FYTD) collections are \$2.19 billion (-7.4 percent) below estimate through April and are 5.7 percent below collections for the same period in the prior fiscal year.

Personal income tax (PIT) collections for the month were significantly below estimate (-\$1.48 billion), with the entire shortfall attributable to the virus. The IFO estimates that roughly \$105 million is permanently lost due to reduced economic activity (\$135 million FYTD), \$55 million is tied to processing delays that will reverse this fiscal year and \$1.32 billion is delayed until FY 2020-21 due to extended tax deadlines (-\$1.38 billion FYTD). FYTD PIT collections are \$1.54 billion (-12.4 percent) below estimate.

Monthly sales and use tax (SUT) collections fell short of estimate by \$357.3 million or 35.9 percent. Non-motor SUT collections were \$230.3 million below estimate and were impacted by both reduced taxable sales related to the COVID-19 virus and the waiver of the pre-payment requirement for certain taxpayers in April. Motor vehicle SUT collections for the month were impacted dramatically (-\$127.0 million), as the result of the closure of most car dealerships in April. FYTD SUT collections are \$388.0 million (-4.1 percent) below estimate.

Corporate net income tax (CNIT) collections were below estimate by \$158.6 million for the month. The majority of the shortfall (-\$141.6 million) occurred in final payments and is related to the extension of the due date to August 14. Through April, FYTD CNIT collections are \$178.0 million below estimate.

April realty transfer (RTT) and inheritance (INH) tax collections fell significantly short of estimate (-\$24.2 million and -\$34.2 million, respectively). The IFO assumes that the RTT performance is related to reduced economic activity due to COVID-19 and the INH shortfall is attributable to processing delays as the result of the closure of county courthouses. The INH shortfall is expected to be recouped in the current fiscal year.

FY 2019-20 Revenue Performance Through April

	April Collections			Fiscal Year Collections		
	Actual	Estimate	Variance	Actual	Estimate	Variance
General Fund	\$2,180.9	\$4,342.1	-\$2,161.2	\$27,495.4	\$29,689.9	-\$2,194.6
Corporate Net Income	136.0	294.6	-158.6	2,318.8	2,496.8	-178.0
SUT - Non-Motor	621.1	851.4	-230.3	7,988.2	8,264.1	-275.9
SUT - Motor Vehicle	15.6	142.6	-127.0	1,156.3	1,268.4	-112.1
PIT - Withholding	906.5	1,011.1	-104.6	9,034.2	9,122.6	-88.4
PIT - Non-Withholding	205.0	1,581.5	-1,376.5	1,837.2	3,290.5	-1,453.3
Cigarette	-15.5	-26.5	11.0	747.3	753.7	-6.4
Inheritance	65.4	99.6	-34.2	932.8	866.3	66.5
Other Taxes	71.1	173.9	-102.8	2,903.0	3,037.5	-134.5
Non-Tax	175.9	214.0	-38.0	577.6	590.0	-12.4

Note: Dollar amounts in millions. Estimate refers to IFO official estimate published in June 2019.

GENERAL FUND REVENUES SUMMARY

Revenue Source	Apr 2020	Apr 2019	FYTD 2019-20	FYTD 2018-19	Monthly Growth	FYTD Growth
Total General Fund	\$2,180.9	\$4,413.4	\$27,495.4	\$29,163.0	-50.6%	-5.7%
Total Tax Revenue	2,005.0	4,173.0	26,917.8	28,394.3	-52.0	-5.2
Total Corporation Taxes	176.3	386.0	4,294.6	4,576.0	-54.3	-6.1
Accelerated Deposits	(2.5)	1.4	3.5	3.2	n.a.	n.a.
Corporate Net Income	136.0	320.5	2,318.8	2,513.1	-57.6	-7.7
Gross Receipts	1.1	13.4	1,104.6	1,208.5	-92.1	-8.6
Utility Property	6.9	16.2	9.4	17.6	-57.2	-46.8
Insurance Premium	28.4	31.0	470.8	458.1	-8.4	2.8
Financial Institution	6.6	3.6	387.5	375.3	83.8	3.3
Total Consumption Taxes	646.1	1,111.2	10,328.8	10,548.4	-41.9	-2.1
Sales and Use - Total	636.7	974.9	9,144.5	9,185.8	-34.7	-0.4
Non-Motor	621.1	828.8	7,988.2	7,957.1	-25.1	0.4
Motor Vehicle	15.6	146.1	1,156.3	1,228.7	-89.3	-5.9
Cigarette	(15.5)	94.4	747.3	918.8	n.a.	-18.7
Other Tobacco Products	10.5	10.5	106.8	106.5	0.4	0.3
Malt Beverage	2.4	1.9	18.9	19.2	29.1	-1.8
Liquor	12.0	29.5	311.3	318.2	-59.3	-2.1
Total Other Taxes	1,182.6	2,675.8	12,294.4	13,269.9	-55.8	-7.4
Personal Income - Total	1,111.4	2,520.1	10,871.4	11,926.0	-55.9	-8.8
Withholding	906.5	851.2	9,034.2	8,707.3	6.5	3.8
Quarterly	112.8	375.5	1,339.8	1,535.2	-70.0	-12.7
Annual	92.2	1,293.4	497.4	1,683.6	-92.9	-70.5
Realty Transfer	26.6	49.9	431.7	433.4	-46.7	-0.4
Inheritance	65.4	93.3	932.8	855.3	-29.9	9.1
Gaming	2.7	12.1	134.2	108.6	-77.8	23.6
Minor and Repealed	(23.5)	0.5	(75.7)	(53.5)	n.a.	-41.5
Total Non-Tax Revenue	175.9	240.4	577.6	768.7	-26.8	-24.9
State Store Fund Transfers	0.0	0.0	185.1	185.1	0.0	0.0
Lic., Fees & Misc.	164.6	232.5	323.3	511.2	-29.2	-36.8
Licenses and Fees	28.0	47.9	120.4	314.0	-41.6	-61.6
Miscellaneous	136.6	184.6	202.9	197.2	-26.0	2.9
Treasury	1.1	0.7	24.5	61.1	66.3	-59.9
Escheats	131.9	182.3	151.7	77.8	-27.6	95.0
Other Miscellaneous	3.6	1.7	26.7	58.3	113.5	-54.2
Fines, Penalties & Interest	11.3	7.9	69.2	72.5	43.9	-4.6

Note: Dollar amounts in millions. Growth rates computed from same time period in previous year and use unrounded amounts.