

Monthly Revenue Update

December 2023



In June 2023, the Independent Fiscal Office (IFO) released revenue projections for fiscal year (FY) 2023-24. General Fund collections for December were \$3.70 billion, \$182.8 million (-4.7%) below the IFO's official estimate, driven by a shortfall in corporate net income tax (CNIT) and personal income tax (PIT) collections. The IFO December estimate was \$113.2 million higher than the administration's estimate published in August.

December collections were \$342.2 million (-8.5%) below collections compared to December 2022. Fiscal year-to-date (FYTD) revenues of \$19.84 billion are \$85.3 million (-0.4%) lower than anticipated. Revenue highlights for the major tax types include:

- **CNIT revenues** for December were \$877.6 million, \$77.4 million (-8.1%) below estimate, due to estimated payments (for tax year 2023) which were \$208.2 million (-25.1%) below estimate. Final payments exceeded the estimate by \$130.8 million (+104.6%) for the month.
- Monthly **PIT collections** were \$1.25 billion, \$49.5 million (-3.8%) below estimate. The shortfall was primarily the result of lower than anticipated estimated (-\$33.1 million, -22.8%) and annual payments (-\$15.2 million, -33.9%). Withholding collections (-\$1.3 million, -0.1%) essentially hit estimate for the month. FYTD PIT collections are \$7.52 billion, \$149.5 million (-1.9%) below estimate due to shortfalls in quarterly (-\$141.8 million, -14.8%) and withholding (-\$49.3 million, -0.8%) payments that are partially offset by an overage in annual payments (+\$41.6 million, +\$12.9%).
- December **sales and use tax (SUT) collections** were \$1.18 billion, \$3.4 million (-0.3%) below estimate, with an overage in non-motor vehicle collections (+4.0 million, +0.4%) more than offset by a shortfall in motor vehicle collections (-\$7.4 million, -7.1%). FYTD SUT collections of \$7.18 billion exceed estimate by \$22.0 million (+0.3%).

Other tax and non-tax revenues for the month were \$392.9 million, \$52.5 million (-11.8%) below estimate.

- Realty transfer tax collections of \$45.4 million were below estimate (-\$21.0 million, -31.6%).
- Inheritance tax collections of \$117.9 million were \$21.5 million (-15.4%) below estimate.
- License and fees collections were below estimate by \$22.0 million (-71.2%).
- Treasury collections of \$53.3 million continued to benefit from a historically high General Fund balance and elevated interest rates, coming in at \$20.4 million (+62.0%) more than anticipated.

FY 2023-24 Revenue Performance Through December

	December Collections			FY Collections		
	<u>Actual</u>	<u>Estimate</u>	<u>\$ Diff</u>	<u>Actual</u>	<u>Estimate</u>	<u>\$ Diff</u>
General Fund	\$3,699.6	\$3,882.4	-\$182.8	\$19,844.9	\$19,930.2	-\$85.3
Corporate Net Income	877.6	955.0	-77.4	2,642.0	2,595.0	47.0
SUT - Non-Motor	1,078.9	1,074.9	4.0	6,503.5	6,451.8	51.7
SUT - Motor Vehicle	97.1	104.5	-7.4	674.4	704.0	-29.6
PIT - Withholding	1,111.6	1,112.9	-1.3	6,345.4	6,394.7	-49.3
PIT - Non-Withholding	141.4	189.7	-48.3	1,177.0	1,277.2	-100.2
Cigarette	80.4	76.9	3.5	404.6	434.2	-29.6
Inheritance	117.9	139.4	-21.5	769.7	737.3	32.4
Other Taxes	139.1	172.4	-33.3	774.7	902.7	-128.0
Non-Tax	55.5	56.7	-1.2	553.7	433.3	120.4

Note: Dollar amounts in millions. Estimate refers to the IFO official estimate published on June 20, 2023.

GENERAL FUND REVENUES SUMMARY

Revenue Source	Dec 2023	Dec 2022	FYTD 2023-24	FYTD 2022-23	Monthly Growth	FYTD Growth
Total General Fund	\$3,699.6	\$4,041.8	\$19,844.9	\$19,699.3	-8.5%	0.7%
Total Tax Revenue	3,644.1	3,986.4	19,291.2	19,352.6	-8.6	-0.3
Total Corporation Taxes	889.5	1,008.7	2,702.1	2,742.3	-11.8	-1.5
Corporate Net Income	877.6	994.6	2,642.0	2,660.7	-11.8	-0.7
Gross Receipts	2.8	5.4	22.3	30.0	-48.1	-25.4
Utility Property	0.0	0.0	2.3	3.3	-98.3	-29.7
Insurance Premium	1.7	0.7	8.6	26.5	162.1	-67.6
Financial Institution	7.4	8.0	26.9	21.8	-8.2	23.2
Total Consumption Taxes	1,326.7	1,326.6	7,907.0	7,903.8	0.0	0.0
Sales and Use - Total	1,176.0	1,176.4	7,177.8	7,126.3	-0.0	0.7
Non-Motor	1,078.9	1,074.6	6,503.5	6,437.8	0.4	1.0
Motor Vehicle	97.1	101.8	674.4	688.5	-4.6	-2.1
Cigarette	80.4	81.3	404.6	452.3	-1.2	-10.5
Other Tobacco Products	12.1	12.9	73.9	76.8	-6.5	-3.9
Malt Beverage	1.8	1.7	10.9	11.7	0.8	-6.8
Liquor	56.4	54.2	239.8	236.7	4.2	1.3
Total Other Taxes	1,427.9	1,651.0	8,682.1	8,706.5	-13.5	-0.3
Personal Income - Total	1,253.1	1,433.2	7,522.4	7,470.2	-12.6	0.7
Withholding	1,111.6	1,240.4	6,345.4	6,068.1	-10.4	4.6
Quarterly	111.9	143.2	813.3	999.5	-21.8	-18.6
Annual	29.5	49.7	363.7	402.7	-40.5	-9.7
Realty Transfer	45.4	55.8	253.5	351.9	-18.6	-27.9
Inheritance	117.9	138.0	769.7	725.7	-14.5	6.1
Gaming	34.8	33.0	174.0	178.4	5.6	-2.4
Minor and Repealed	(23.4)	(9.0)	(37.6)	(19.7)	-159.5	-90.5
Total Non-Tax Revenue	55.5	55.5	553.7	346.7	0.0	59.7
State Store Fund Transfers	0.0	0.0	100.0	100.0	n.a.	0.0
Lic., Fees & Misc.	49.9	50.5	416.4	210.9	-1.1	97.4
Licenses and Fees	8.9	37.5	54.9	76.9	-76.3	-28.6
Miscellaneous	41.0	12.9	361.5	134.0	217.0	169.8
Treasury	53.3	34.5	374.6	161.3	54.5	132.2
Escheats	(12.7)	(21.6)	(47.0)	(71.2)	41.4	34.0
Other Miscellaneous	0.4	0.1	33.9	43.9	484.1	-22.7
Fines, Penalties & Interest	5.6	5.0	37.2	35.8	11.6	4.1

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