

# Monthly Revenue Update



## June 2024

In June 2023, the Independent Fiscal Office (IFO) released revenue projections for fiscal year (FY) 2023-24. General Fund collections for June 2024 were \$3.63 billion, \$47 million (-1.3%) below the IFO's official estimate. The IFO estimate for June was \$84 million higher than the administration's recertified official estimate. **Collections for the fiscal year totaled \$45.47 billion, and were 0.6% (+\$273 million) above the IFO estimate.**

June collections were \$53 million (-1.4%) lower than collections for June 2023. (See next page.) Revenue highlights for the major tax types include:

- June **corporate net income tax (CNIT)** collections of \$917 million were \$13 million (-1.4%) below estimate. Fiscal year CNIT collections of \$5.65 billion were below estimate by \$48 million (-0.8%).
- **Sales and use tax (SUT)** collections were \$1.22 billion, \$6 million (-0.5%) below estimate due to a shortfall in motor vehicle collections (-\$19 million, -14.8%), which decreased 13.1% from June 2023, likely due to fewer deposit days this June. Fiscal year SUT collections of \$14.26 billion were higher than projected by \$191 million (+1.4%) due to non-motor vehicle collections (+\$267 million, +2.1%). Fiscal year motor vehicle SUT collections were \$76 million (-5.3%) below estimate.
- Monthly **personal income tax (PIT)** collections of \$1.53 billion were above estimate by \$9 million (+0.6%) due to higher than expected withholding (+\$8 million, +0.8%) and quarterly (+\$10 million, +2.1%) payments. Fiscal year PIT collections were \$17.86 billion, or \$416 million (-2.3%) below estimate, primarily due to shortfalls in quarterly (-\$262 million, -9.5%) and annual (-\$131 million, -5.7%) payments. Fiscal year withholding collections were \$24 million (-0.2%) below estimate.

For FY 2023-24, three factors pushed actual revenues to exceed estimates:

- Interest rates remained elevated much longer than expected, adversely impacting realty transfer tax revenues due to a severe lock-in effect on mortgages, but boosting Treasury collections to record levels, the result of unusually high interest rates and unprecedented General Fund balances.
- SUT collections remained strong as consumers displayed resilience despite persistent inflation. Consumer credit card debt balances continue to rise and pandemic savings have largely been depleted.
- Inheritance tax collections were boosted by continued stock market gains and rapid home price appreciation throughout the fiscal year.

### FY 2023-24 Revenue Performance Through June

|                       | June Collections |                |              | FY Collections  |                 |              |
|-----------------------|------------------|----------------|--------------|-----------------|-----------------|--------------|
|                       | Actual           | Estimate       | \$ Diff      | Actual          | Estimate        | \$ Diff      |
| <b>General Fund</b>   | <b>\$3,633</b>   | <b>\$3,680</b> | <b>-\$47</b> | <b>\$45,473</b> | <b>\$45,201</b> | <b>\$273</b> |
| Corporate Net Income  | 917              | 931            | -13          | 5,651           | 5,699           | -48          |
| SUT - Non-Motor       | 1,118            | 1,106          | 13           | 12,917          | 12,651          | 267          |
| SUT - Motor Vehicle   | 107              | 125            | -19          | 1,339           | 1,414           | -76          |
| PIT - Withholding     | 1,014            | 1,006          | 8            | 13,202          | 13,226          | -24          |
| PIT - Non-Withholding | 517              | 515            | 2            | 4,655           | 5,048           | -393         |
| Cigarette             | 79               | 82             | -3           | 668             | 732             | -64          |
| Inheritance           | 121              | 123            | -2           | 1,636           | 1,526           | 110          |
| Other Taxes           | -316             | -265           | -51          | 3,797           | 3,704           | 93           |
| Non-Tax               | 75               | 56             | 19           | 1,609           | 1,202           | 407          |

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

## GENERAL FUND REVENUES SUMMARY

| Revenue Source                 | June<br>2024     | June<br>2023     | FYTD<br>2023-24   | FYTD<br>2022-23   | Monthly<br>Growth | FYTD<br>Growth |
|--------------------------------|------------------|------------------|-------------------|-------------------|-------------------|----------------|
| <b>Total General Fund</b>      | <b>\$3,632.7</b> | <b>\$3,686.1</b> | <b>\$45,473.5</b> | <b>\$44,917.1</b> | <b>-1.4%</b>      | <b>1.2%</b>    |
| <b>Total Tax Revenue</b>       | <b>3,557.5</b>   | <b>3,614.0</b>   | <b>43,864.8</b>   | <b>43,776.4</b>   | <b>-1.6</b>       | <b>0.2</b>     |
| <b>Total Corporation Taxes</b> | <b>469.5</b>     | <b>589.6</b>     | <b>8,032.1</b>    | <b>8,257.4</b>    | <b>-20.4</b>      | <b>-2.7</b>    |
| Corporate Net Income           | 917.3            | 1,017.6          | 5,651.5           | 6,142.9           | -9.9              | -8.0           |
| Gross Receipts                 | 4.1              | 3.5              | 1,389.2           | 1,181.0           | 16.1              | 17.6           |
| Utility Property               | 0.0              | 0.4              | 44.1              | 46.0              | -99.6             | -4.2           |
| Insurance Premium              | (462.6)          | (438.5)          | 546.8             | 521.8             | -5.5              | 4.8            |
| Financial Institution          | 10.7             | 6.5              | 400.6             | 365.8             | 65.3              | 9.5            |
| <b>Total Consumption Taxes</b> | <b>1,355.4</b>   | <b>1,351.4</b>   | <b>15,540.5</b>   | <b>15,423.0</b>   | <b>0.3</b>        | <b>0.8</b>     |
| Sales and Use - Total          | 1,225.2          | 1,211.7          | 14,255.9          | 14,024.4          | 1.1               | 1.7            |
| Non-Motor                      | 1,118.4          | 1,088.9          | 12,917.4          | 12,640.4          | 2.7               | 2.2            |
| Motor Vehicle                  | 106.8            | 122.8            | 1,338.5           | 1,384.0           | -13.1             | -3.3           |
| Cigarette                      | 79.0             | 85.5             | 668.0             | 772.9             | -7.6              | -13.6          |
| Other Tobacco Products         | 12.8             | 13.3             | 146.4             | 152.6             | -4.0              | -4.0           |
| Malt Beverage                  | 2.0              | 2.3              | 21.4              | 22.4              | -14.1             | -4.7           |
| Liquor                         | 36.4             | 38.6             | 448.8             | 450.8             | -5.6              | -0.4           |
| <b>Total Other Taxes</b>       | <b>1,732.6</b>   | <b>1,673.0</b>   | <b>20,292.2</b>   | <b>20,095.9</b>   | <b>3.6</b>        | <b>1.0</b>     |
| Personal Income - Total        | 1,530.9          | 1,440.2          | 17,856.8          | 17,628.1          | 6.3               | 1.3            |
| Withholding                    | 1,013.9          | 984.2            | 13,201.8          | 12,643.8          | 3.0               | 4.4            |
| Quarterly                      | 468.6            | 406.8            | 2,508.5           | 2,690.8           | 15.2              | -6.8           |
| Annual                         | 48.4             | 49.1             | 2,146.5           | 2,293.5           | -1.6              | -6.4           |
| Realty Transfer                | 51.9             | 64.6             | 530.8             | 643.8             | -19.7             | -17.6          |
| Inheritance                    | 120.7            | 128.7            | 1,636.0           | 1,524.4           | -6.2              | 7.3            |
| Gaming                         | 18.5             | 28.5             | 360.5             | 365.1             | -35.1             | -1.3           |
| Minor and Repealed             | 10.6             | 11.0             | (91.8)            | (65.5)            | -3.1              | -40.2          |
| <b>Total Non-Tax Revenue</b>   | <b>75.2</b>      | <b>72.1</b>      | <b>1,608.7</b>    | <b>1,140.7</b>    | <b>4.3</b>        | <b>41.0</b>    |
| State Store Fund Transfers     | 0.0              | 0.0              | 185.1             | 185.1             | n.a.              | 0.0            |
| Licenses, Fees & Misc.         | 73.8             | 71.1             | 1,356.4           | 889.6             | 3.9               | 52.5           |
| Licenses and Fees              | 7.5              | 6.4              | 170.0             | 157.5             | 15.7              | 8.0            |
| Miscellaneous                  | 66.4             | 64.6             | 1,186.4           | 732.2             | 2.7               | 62.0           |
| Treasury                       | 69.3             | 66.7             | 779.0             | 451.9             | 4.0               | 72.4           |
| Escheats                       | (17.5)           | (15.0)           | 309.9             | 198.2             | -16.2             | 56.4           |
| Other Miscellaneous            | 14.5             | 13.0             | 97.5              | 82.1              | 12.0              | 18.8           |
| Fines, Penalties & Interest    | 1.3              | 1.0              | 67.2              | 66.0              | 31.2              | 1.8            |

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