



Revenue Trends Report

August 2012

The Commonwealth collected \$1.8 billion in General Fund revenues in August, a decline of 0.6% compared to collections for August 2011 (details on the next page). In the first two months of the fiscal year, revenues increased by 3.2% to \$3.64 billion. For the most recent three month period, collections declined by 4.8% versus the same period in the prior year. For the twelve month period, General Fund collections increased by 1.0%.

| Change in General Fund Tax Revenues | | | | |
|---|--------------------|-------------------------|--------------------------|---------------------------|
| (compared to same period in prior year; dollar amounts in millions) | | | | |
| <u>Revenue Source</u> | <u>August 2012</u> | <u>FY 12-13 to Date</u> | <u>3 month aggregate</u> | <u>12 month aggregate</u> |
| Corporate Net Income | -\$10.7 | \$0.2 | \$141.6 | -\$142.5 |
| percent change | -25.0% | 0.2% | 32.9% | -6.6% |
| Other Corporate | \$9.8 | \$30.9 | \$38.0 | \$208.9 |
| percent change | 57.3% | 8.2% | 18.1% | 7.6% |
| SUT – Nonmotor Vehicle | \$2.4 | \$34.8 | -\$188.9 | \$108.8 |
| percent change | 0.4% | 2.7% | -8.7% | 1.4% |
| SUT – Motor Vehicle | -\$14.5 | \$9.9 | \$10.0 | \$96.6 |
| percent change | -12.5% | 4.9% | 3.3% | 9.0% |
| PIT - Withholding | \$13.9 | \$35.4 | -\$35.2 | \$197.7 |
| percent change | 1.9% | 2.6% | -1.7% | 2.4% |
| PIT – Nonwithholding | -\$0.1 | \$7.0 | \$44.1 | \$84.4 |
| percent change | -0.4% | 9.5% | 11.7% | 3.5% |
| All Other Tax Revenue | -\$0.7 | \$0.9 | -\$0.7 | \$59.6 |
| percent change | -0.3% | 0.2% | -0.1% | 2.3% |
| Tax Revenue Total | \$0.2 | \$119.1 | \$8.9 | \$613.5 |
| percent change | 0.0% | 3.4% | 0.1% | 2.3% |

Revenue highlights for August:

- The **corporate net income tax** declined (-25%) compared to the prior year. Generally, August is not a significant month for CNI collections. Revenues in the most recent three month period (June through August 2012) grew (32.9%), mainly due to strong collections in June 2012.
- Other corporate tax revenues (\$9.8 million) increased primarily due to the **capital stock and franchise tax** (\$5.0 million) and the **gross receipts tax** (\$3.4 million).
- **Sales and use tax** collections declined (-\$12.1 million, or -1.6%). For the month, the nonmotor vehicle portion of the tax was nearly flat (0.4%) while the motor vehicle portion declined (-12.5%).
- Deposits from **personal income tax** employer withholding increased (1.9%). The decline posted for the most recent three month period (-1.7%) is affected by the timing of remittances.
- **Realty transfer tax** revenues continue to show strength. Collections for the first two months of the fiscal year show a significant increase (17%) over the prior year.

General Fund Revenue Detail

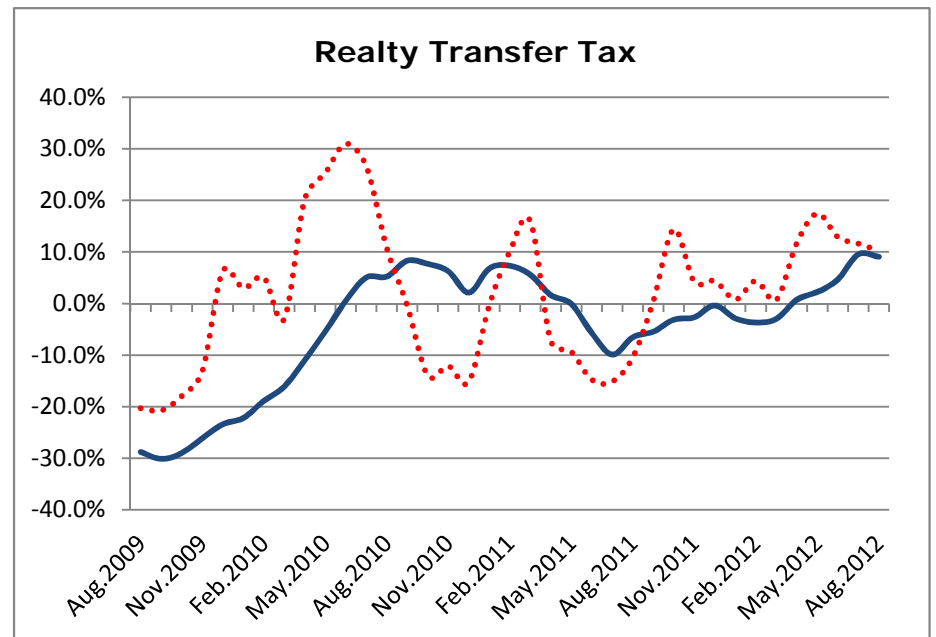
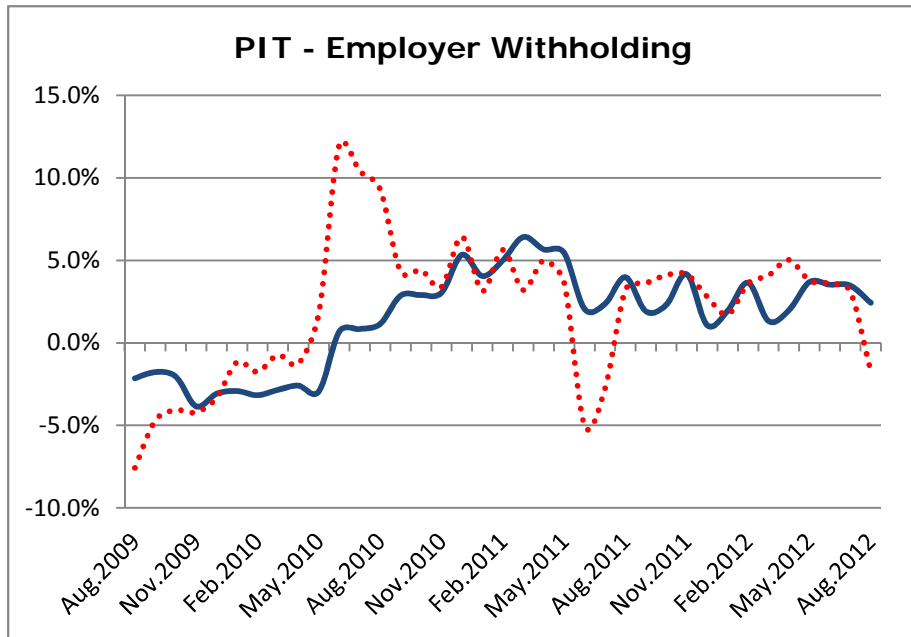
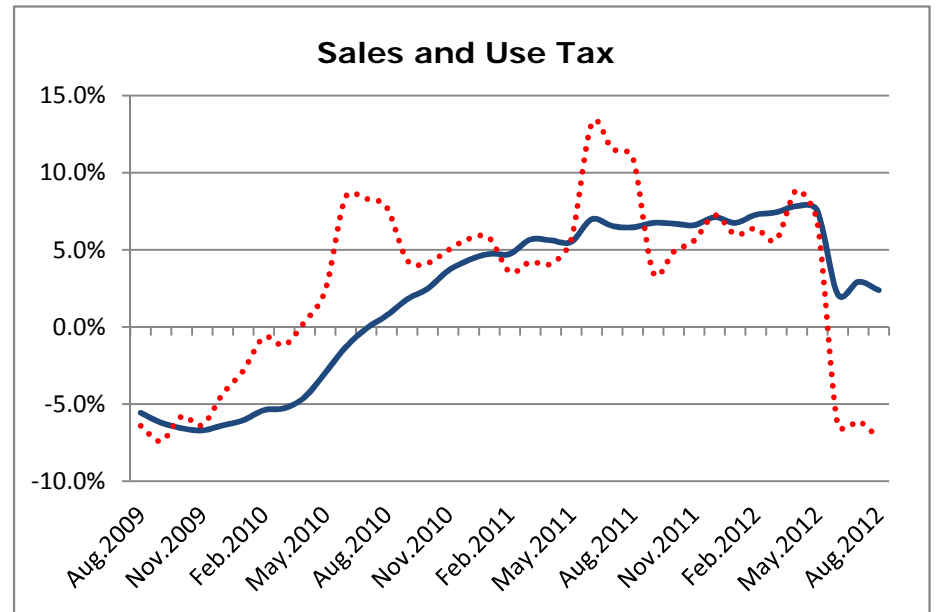
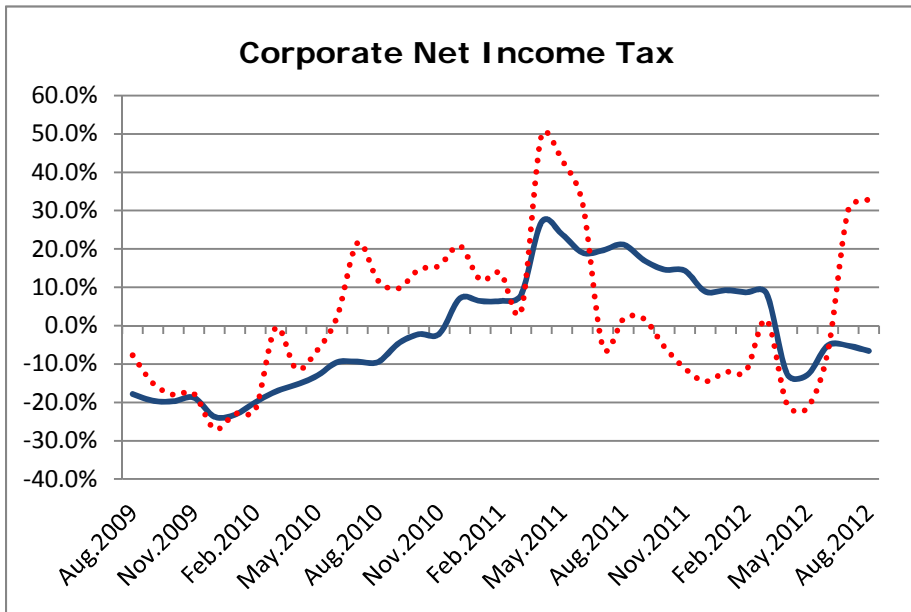
dollar amounts are in millions

| | <u>Monthly Revenues</u> | | <u>Fiscal Year to Date</u> | | <u>Growth Rate Trends</u> | |
|--|-------------------------|------------------------------------|----------------------------|------------------------------------|---|----------------------------|
| | <u>August 2012</u> | <u>Percent Change ¹</u> | <u>August 2012</u> | <u>Percent Change ¹</u> | <u>Aggregate Periods 3 mon.¹</u> | <u>12 mon.¹</u> |
| <u>Total General Fund</u> | <u>1,795.2</u> | <u>-0.6%</u> | <u>3,639.5</u> | <u>3.2%</u> | <u>-4.8%</u> | <u>1.0%</u> |
| <u>Total Tax Revenue</u> | <u>1,772.3</u> | <u>0.0%</u> | <u>3,584.3</u> | <u>3.4%</u> | <u>0.1%</u> | <u>2.3%</u> |
| <u>Total Corporation Taxes</u> | <u>59.0</u> | <u>-1.4%</u> | <u>169.0</u> | <u>22.6%</u> | <u>28.0%</u> | <u>1.3%</u> |
| Accelerated Deposits | 0.6 | n.a. | (0.4) | n.a. | n.a. | n.a. |
| Corporate Net Income | 32.0 | -25.0% | 97.3 | 0.2% | 32.9% | -6.6% |
| Capital Stock & Franchise | 16.6 | 43.4% | 35.2 | 11.9% | -6.3% | 2.2% |
| <u>Selective Business Total</u> | <u>9.8</u> | <u>98.8%</u> | <u>37.0</u> | <u>306.9%</u> | <u>132.2%</u> | <u>9.5%</u> |
| Gross Receipts | 6.0 | 132.7% | 31.8 | 416.3% | 149.7% | 10.3% |
| Utility Property | 1.3 | 269.2% | 1.3 | 262.0% | 339.4% | -13.3% |
| Insurance Premiums | 0.6 | -10.7% | 1.6 | 63.2% | 121.4% | 7.4% |
| Financial Institutions | 1.7 | 42.7% | 1.8 | 48.7% | 51.9% | 14.7% |
| Other Sel. Business | 0.2 | 21.6% | 0.4 | 7.2% | 19.6% | -25.5% |
| <u>Total Consumption Taxes</u> | <u>843.5</u> | <u>-1.8%</u> | <u>1,743.9</u> | <u>2.2%</u> | <u>-6.6%</u> | <u>2.1%</u> |
| <u>Sales and Use Total</u> | <u>722.8</u> | <u>-1.6%</u> | <u>1,523.3</u> | <u>3.0%</u> | <u>-7.2%</u> | <u>2.4%</u> |
| Nonmotor | 620.8 | 0.4% | 1,313.4 | 2.7% | -8.7% | 1.4% |
| Motor Vehicle | 101.9 | -12.5% | 209.9 | 4.9% | 3.3% | 9.0% |
| Cigarette | 93.1 | -6.6% | 167.3 | -5.4% | -4.9% | -1.2% |
| Malt Beverage | 2.5 | 5.1% | 4.8 | -1.7% | 0.7% | -0.4% |
| Liquor | 25.2 | 14.9% | 48.5 | 6.3% | 8.7% | 6.3% |
| <u>Total Other Taxes</u> | <u>869.7</u> | <u>1.9%</u> | <u>1,671.4</u> | <u>3.1%</u> | <u>0.6%</u> | <u>2.9%</u> |
| <u>Personal Income Total</u> | <u>763.7</u> | <u>1.8%</u> | <u>1,456.3</u> | <u>3.0%</u> | <u>0.4%</u> | <u>2.7%</u> |
| Withholding | 727.8 | 1.9% | 1,375.6 | 2.6% | -1.7% | 2.4% |
| <u>Nonwithholding</u> | <u>35.9</u> | <u>-0.4%</u> | <u>80.7</u> | <u>9.5%</u> | <u>11.7%</u> | <u>3.5%</u> |
| Quarterly | 20.1 | -2.9% | 50.6 | 6.4% | 10.7% | 0.1% |
| Annuals | 15.8 | 3.0% | 30.1 | 15.1% | 15.0% | 8.0% |
| Realty Transfer | 31.8 | 13.6% | 65.0 | 16.8% | 10.2% | 9.1% |
| Inheritance | 66.3 | -4.6% | 134.5 | -1.0% | -4.6% | 2.0% |
| Table Games | 8.3 | 19.6% | 15.6 | -0.9% | 11.0% | 20.7% |
| Minor and Repealed | (0.4) | -54.5% | (0.1) | -161.7% | 254.5% | -46.6% |
| <u>Total Nontax Revenue</u> | <u>23.0</u> | <u>-32.1%</u> | <u>55.2</u> | <u>-9.3%</u> | <u>-65.4%</u> | <u>-39.8%</u> |
| Liquor Store Profits | 0.0 | n.a. | 0.0 | n.a. | -23.8% | -23.8% |
| Lic, Fees & Misc - Total | 17.4 | -36.7% | 37.4 | -25.4% | -84.0% | -50.1% |
| Fines, Pen & Int - Total | 5.6 | -11.8% | 17.8 | 65.9% | 163.1% | 218.2% |

¹ compared to the same period in the prior year

Three and Twelve-Month Revenue Growth Trends

compared to the same period in the prior year



dotted line = 3 month growth rate solid line = 12 month growth rate