

Idaho Tax Revenue Projections FY 2015-2017

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National Economy

- The US economy experienced strong economic growth in 2014
 - Overall 2.7%
 - Q2 & Q3 - growth “roaring” at close to 4.5%
- Nationally, the unemployment rate is at its lowest since June 2008: 5.8%



Idaho's Economy

- Overall, Idaho's economy is keeping pace with the nation's.
 - The *Idaho Economic Forecast* projects total personal income of Idaho residents to be rising 3.5 - 5% per year.
 - The unemployment rate in Idaho has dropped to a very low 3.9%. (Nov. 2014)



Idaho's Economy

- Employment has been on the rise - steady job growth is projected of 1.5 - 1.8%
 - Services account for bulk (7,000 - 10,000 jobs per year)
 - Timber and construction have been making a comeback. (~1,400 jobs/year)
- Wages have not kept pace with national average (\$21.50 Idaho vs \$24.00)



FRED 

— All Employees: Total Nonfarm in Idaho



Source: US. Bureau of Labor Statistics

Shaded areas indicate US recessions - 2015 research.stlouisfed.org



FRED 

— Unemployment Rate in Idaho



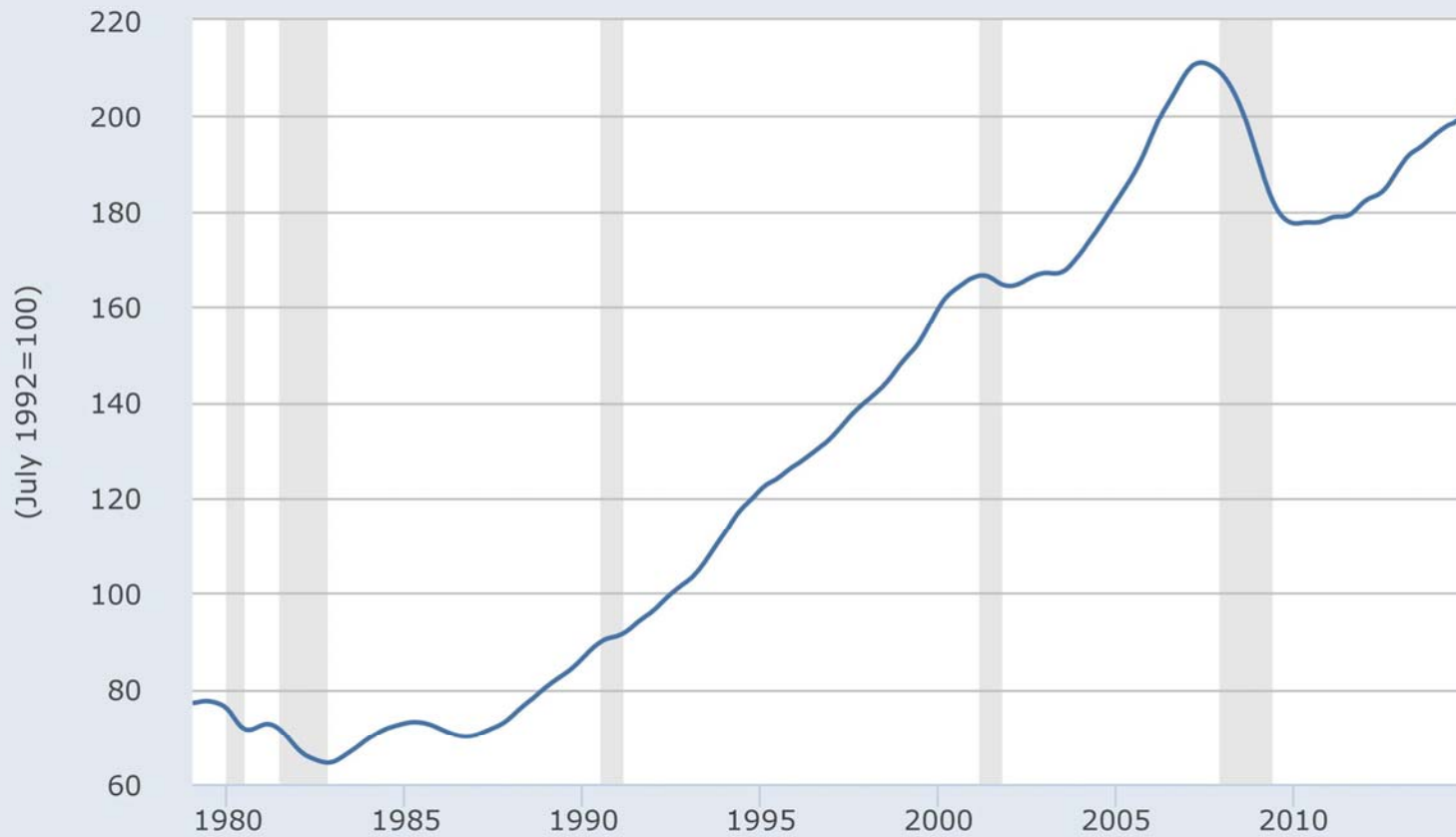
Source: US. Bureau of Labor Statistics

Shaded areas indicate US recessions - 2015 research.stlouisfed.org



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— Coincident Economic Activity Index for Idaho



Source: Federal Reserve Bank of Philadelphia

Shaded areas indicate US recessions - 2015 research.stlouisfed.org





— Average Hourly Earnings of All Employees: Total Private in Idaho



Source: US. Bureau of Labor Statistics, Federal Reserve Bank of St. Louis

Shaded areas indicate US recessions - 2015 research.stlouisfed.org



Economic challenges

- Strong growth and low unemployment will lead the Fed to raise interest rates in 2015
 - While it may slow down growth and impact stock markets, this is not an indicator of poor economic performance in 2015.
- Weak growth in China, Europe and elsewhere will reduce demand for US exports.



Economic challenges

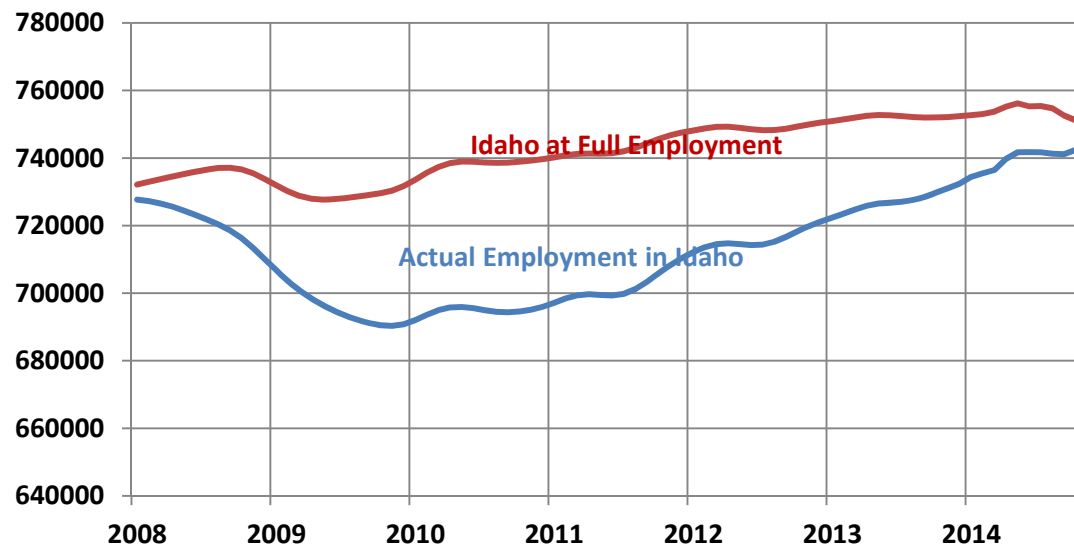
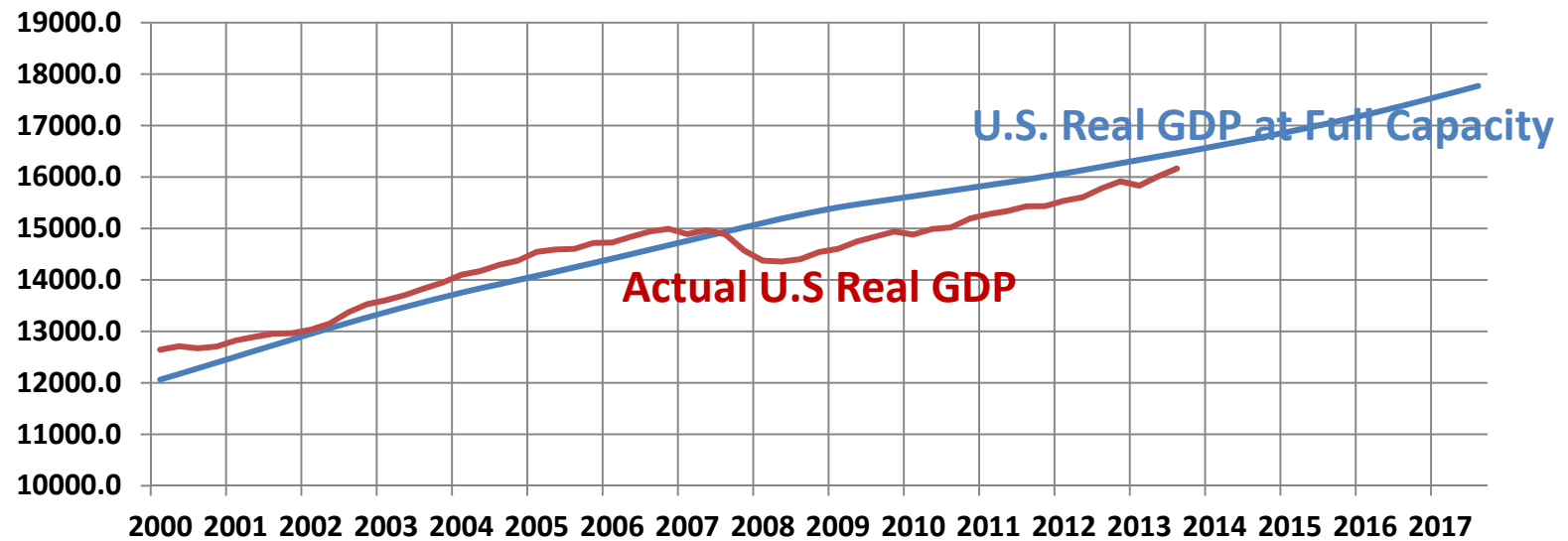
- Geopolitical risks
 - Sovereign debt crisis in Europe?
 - Instability in Russia, Iran, Venezuela owing to low oil prices?



Tax revenues

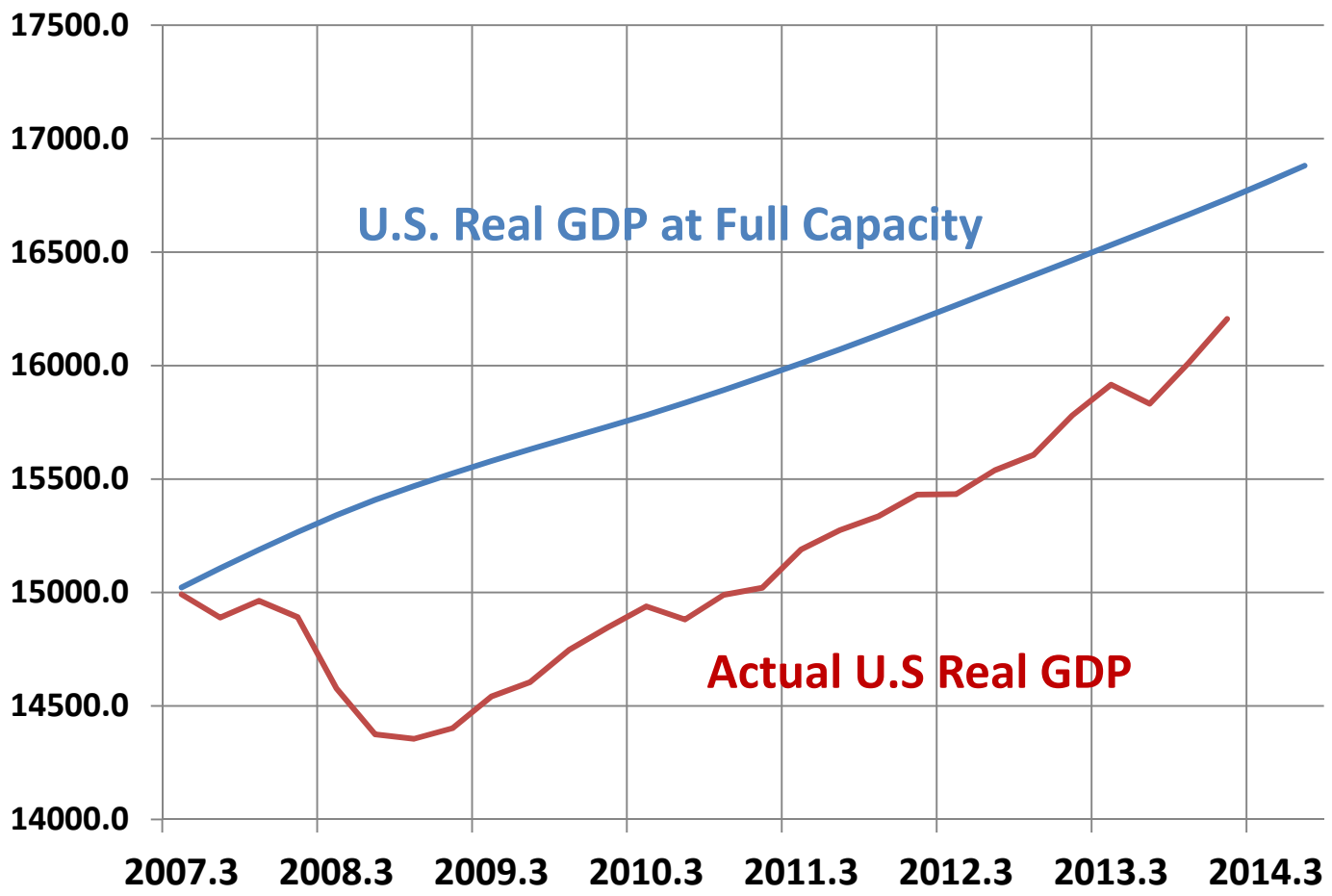
- Overall, we are confident of modest economic growth for Idaho in the next two years.
- Tax revenues should also grow modestly
 - Increased incomes
 - Increased willingness to spend by consumers





As disheartening as this may be it is irrelevant to a forecast.





General Fund Forecast: 2015- 2017

	2014	2015	2016	2017
Individual Income Tax	1,329.3	1,379.3	1,435.4	1,498.7
Corporate Income Tax	188.3	195.2	205.7	217.8
Sales Tax	1,145.7	1,190.6	1,241.0	1,295.9
Cigarette Tax	3.7	3.7	6.7	6.9
Tobacco Tax	9.9	10.6	11.3	12.1
Beer Tax	1.9	1.9	2.0	2.0
Wine Tax	4.1	4.3	4.5	4.7
Liquor Dispensary	24.2	25.4	26.9	28.3
Product Taxes	43.8	45.9	51.4	53.9
Kilowatt Hour Tax	1.8	1.9	1.9	1.9
Mine License Tax	0.5	0.5	0.5	0.6
Treasurer	(0.4)	1.8	4.0	6.1
Judicial	4.4	4.5	4.7	4.9
Insurance Premium Tax	59.4	61.8	63.9	65.8
Secretary of State	2.7	2.8	2.8	2.9
Unclaimed Property	5.7	6.0	6.4	6.8
Estate	0.3	0.2	0.0	(0.1)
Other	32.7	34.9	37.1	39.4
Total Miscellaneous	108.3	114.3	121.4	128.3
Total General Fund	2,815.4	2,925.3	3,054.8	3,194.6



General Fund Forecast: 2015- 2017

	2014	2015	2016	2017
Individual Income Tax	1,329.3	1,379.3	1,435.4	1,498.7
		3.8%	4.1%	4.4%
Corporate Income Tax	188.3	195.2	205.7	217.8
		3.7%	5.4%	5.9%
Sales Tax	1,145.7	1,190.6	1,241.0	1,295.9
		3.9%	4.2%	4.4%
Total Miscellaneous	152.1	160.2	172.7	182.3
		5.3%	7.8%	5.5%
Total General Fund	2,815.4	2,925.3	3,054.8	3,194.6
		3.9%	4.4%	4.6%

