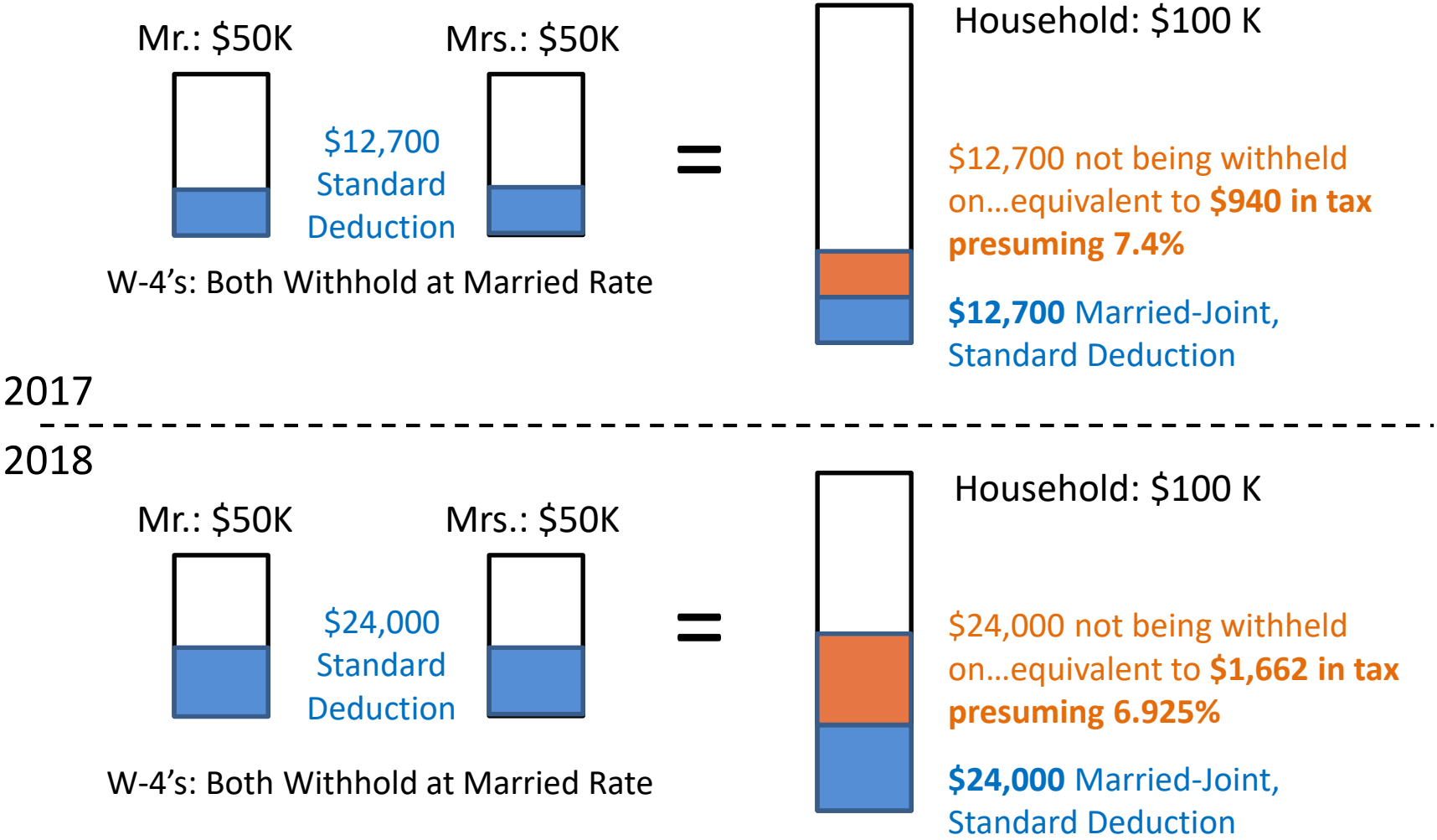
IDAHO
State Tax Commission

# FY 2019 IIT Withholding & Cashflow Analysis

Ken A. Roberts, Chairman
Idaho State Tax Commission

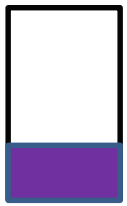
# Effects On Taxpayers' Withholding of Doubling the Standard Deduction, 2017 to 2018



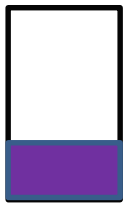
# Loss of Personal Exemptions Impact on Withholding 2017 to 2018

Mr.: $50K

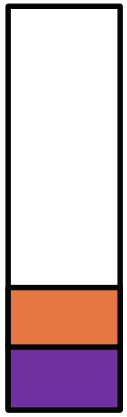
Mrs.: $50K



$4,050 Personal Exemption X 5 = $20,250



=



Household: $100 K

$20,250 not being withheld on…equivalent to **$1,517 in tax presuming 7.4%**

**$20,250** for 5 Personal Exemptions

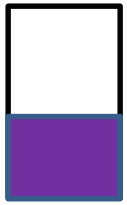
W-4's: Both Withhold at Married Rate (5 Exemptions)

2017 *Example: Married couple, 3 children over 16*

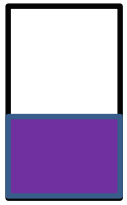
2018 *Same household as above, no change in W-4*

Mr.: $50K

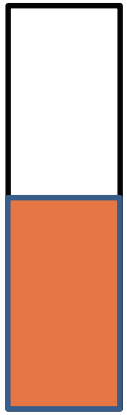
Mrs.: $50K



$2,950 for Child Tax Credit x 5 = $14,800



=

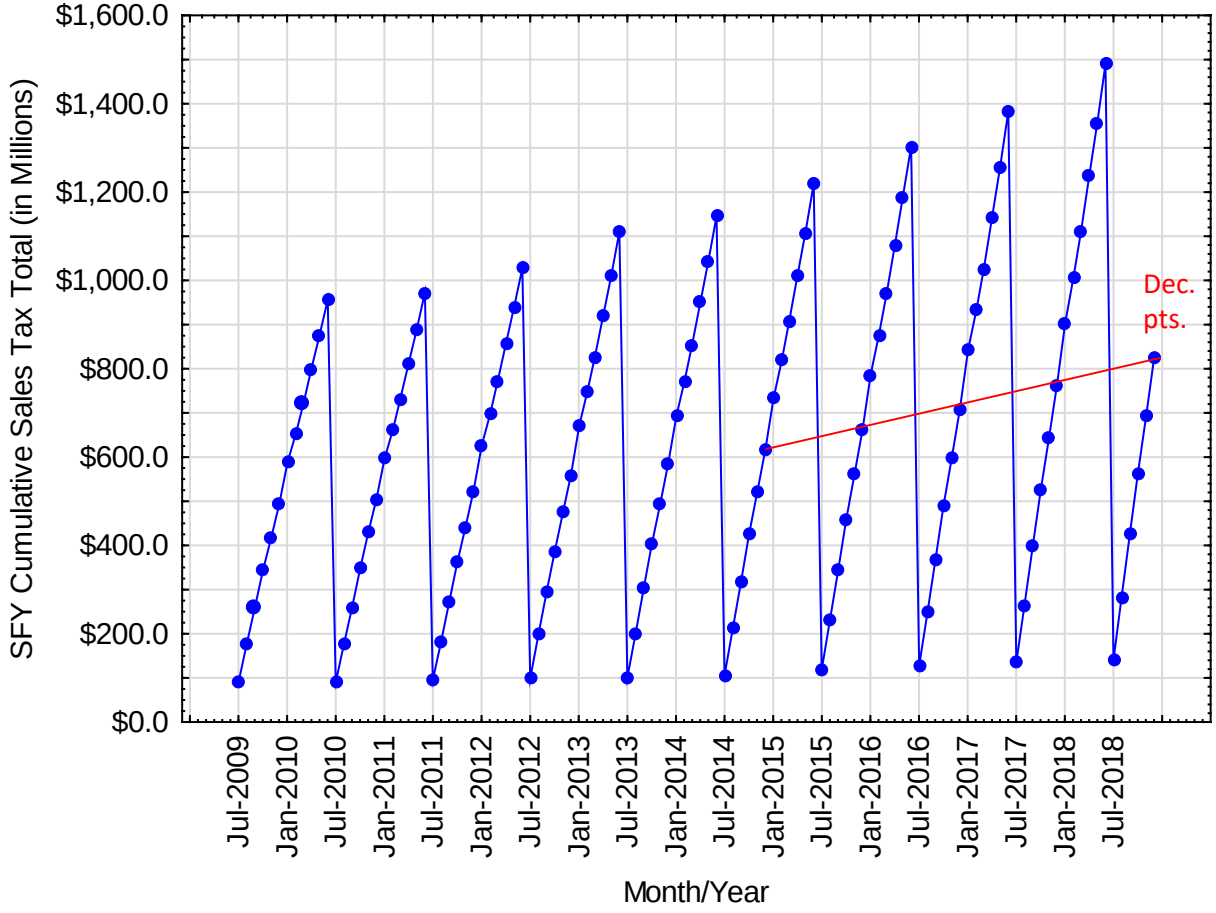


Household: $100 K

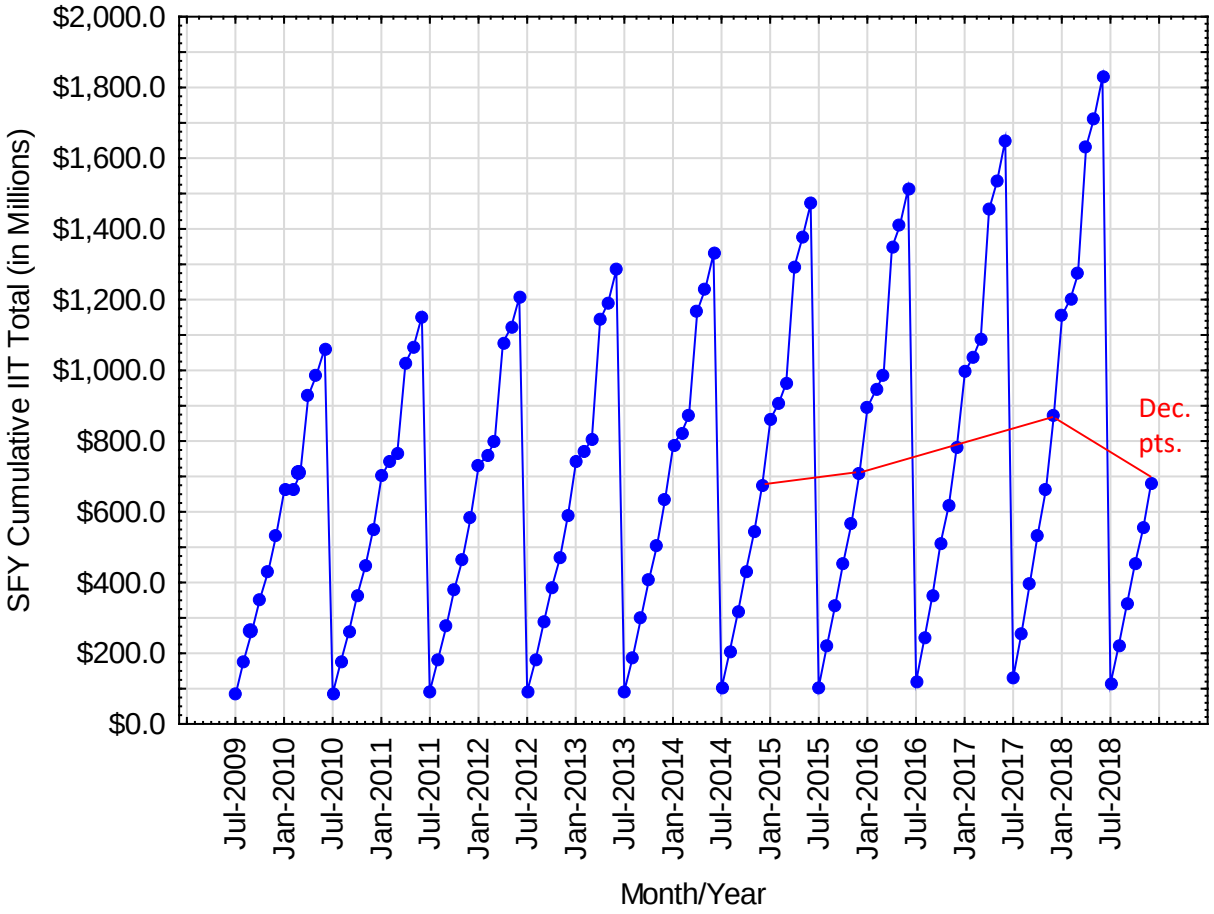
$29,600 ($14,800 x 2) not being withheld on…equivalent to **$2,050 in tax presuming 6.925%**

W-4's: Both Withhold at Married Rate (5 Allowances)

# Idaho State Tax Commission 2010 – 2018 Historical Fiscal Year-to-Date **Sales Tax** Revenue Distributed to General Fund

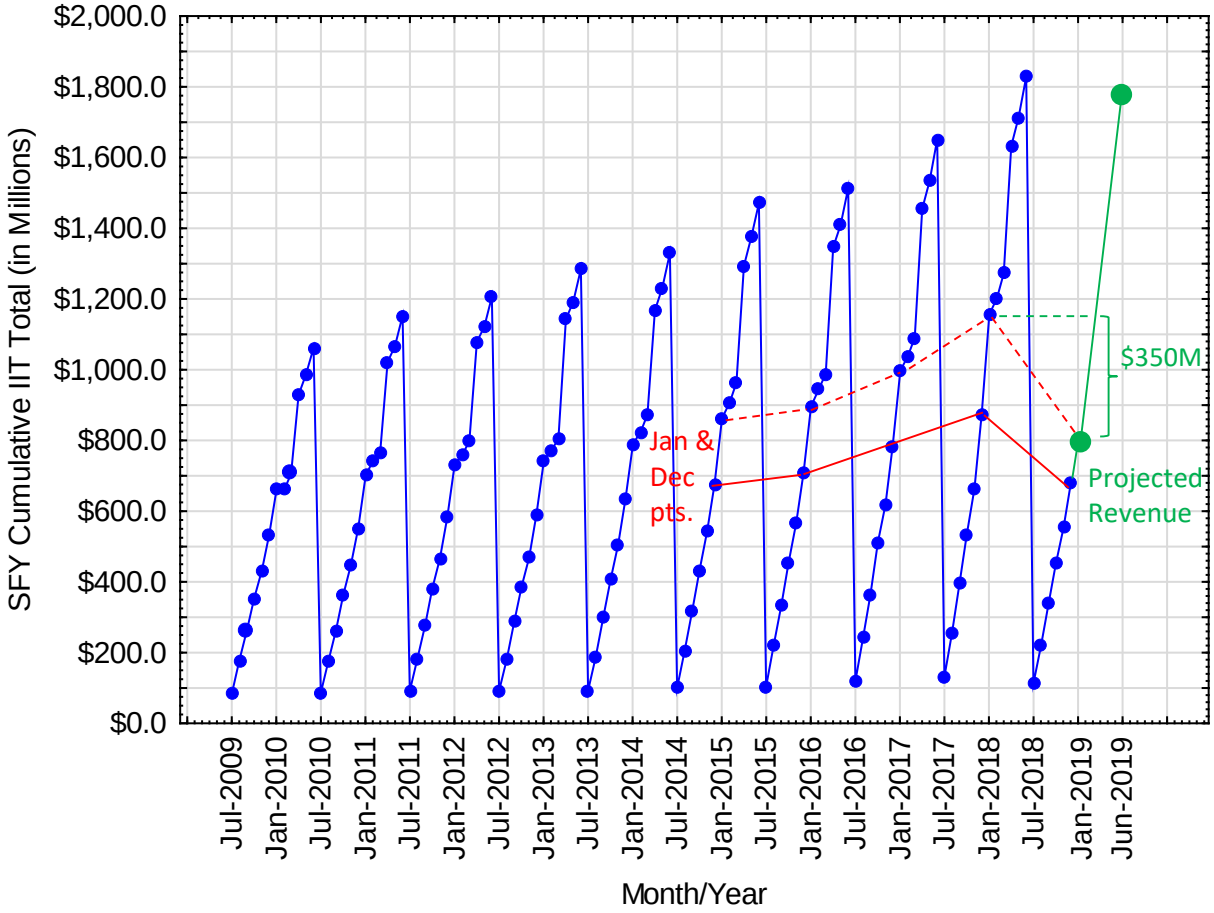


# Idaho State Tax Commission 2010 – 2018 Historical Fiscal Year-to-Date **Individual Income Tax** Revenue Distributed to General Fund

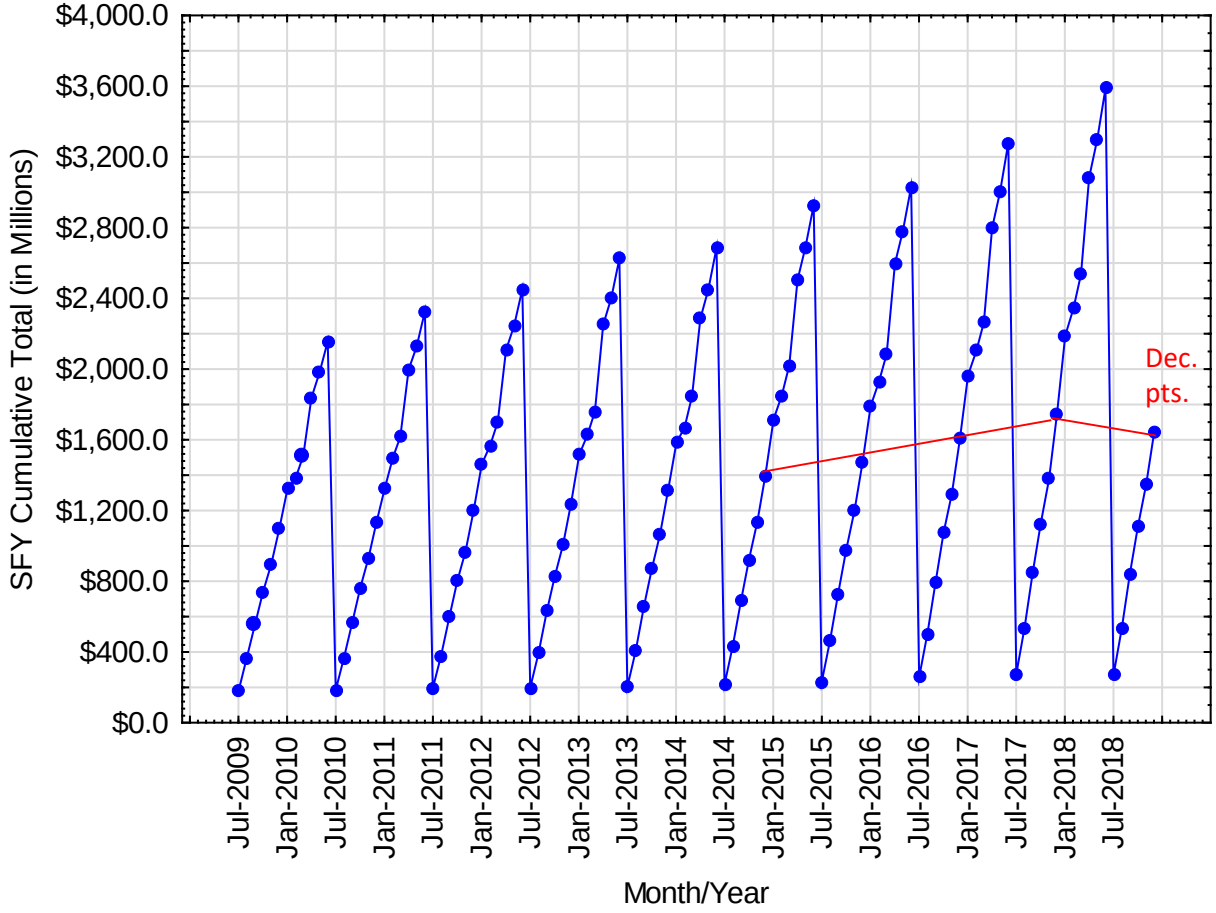


# Idaho State Tax Commission 2010 – 2018 Historical Fiscal Year-to-Date **Individual Income Tax** Revenue Distributed to General Fund

## Anticipated FY2019 Revenues (green)

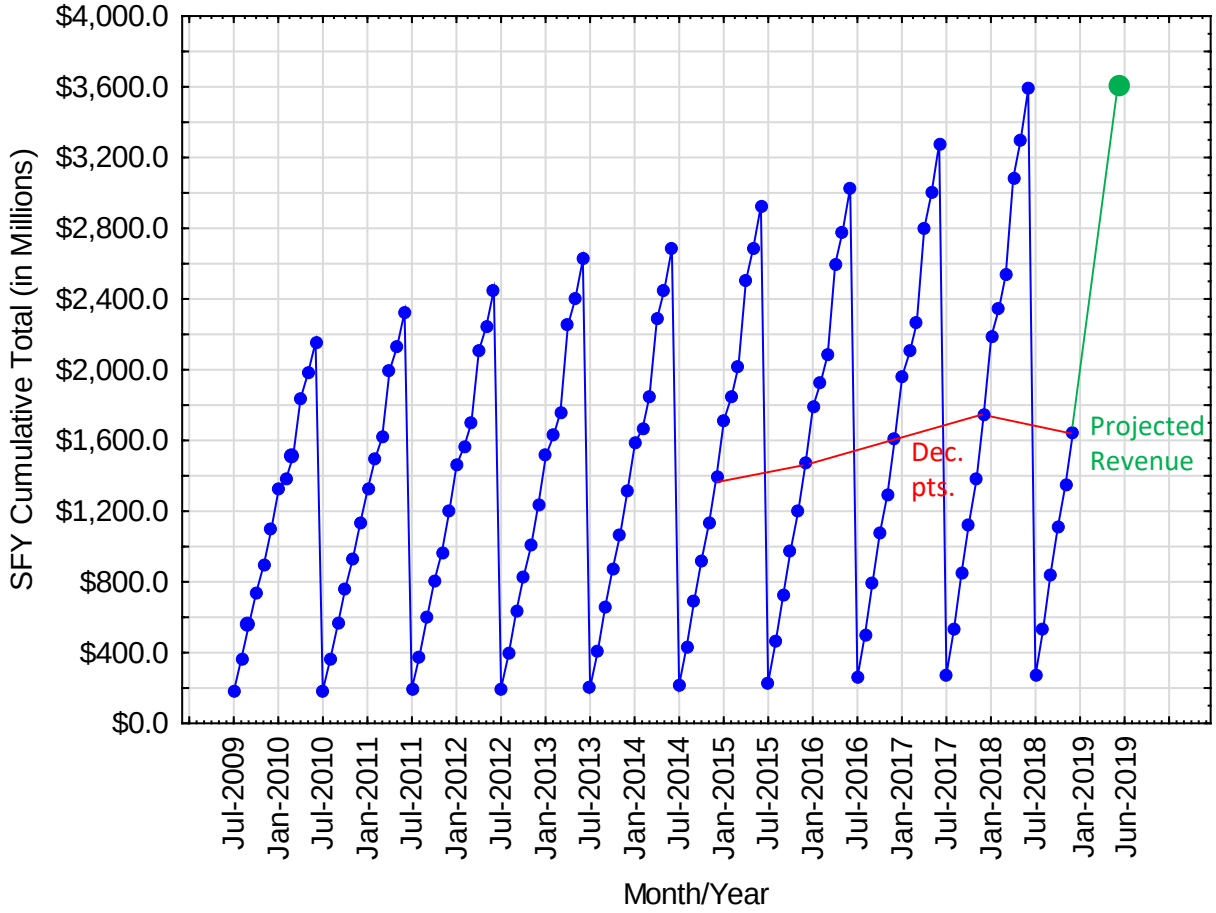


# Idaho State Tax Commission 2010 – 2018 Historical Fiscal Year-to-Date **Total Revenue** Distributed to General Fund

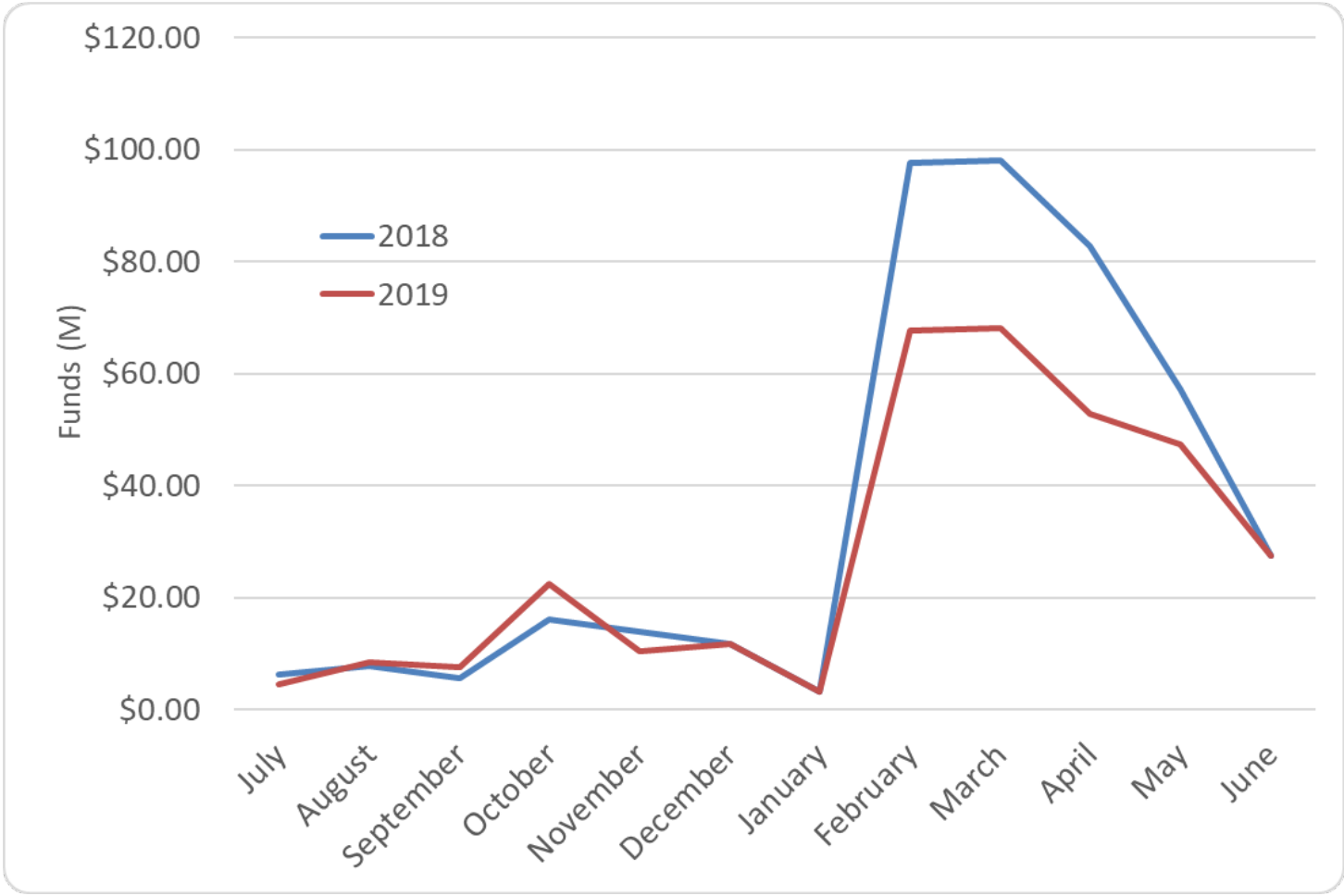


# Idaho State Tax Commission 2010 – 2018 Historical Fiscal Year-to-Date **Total Revenue** Distributed to General Fund

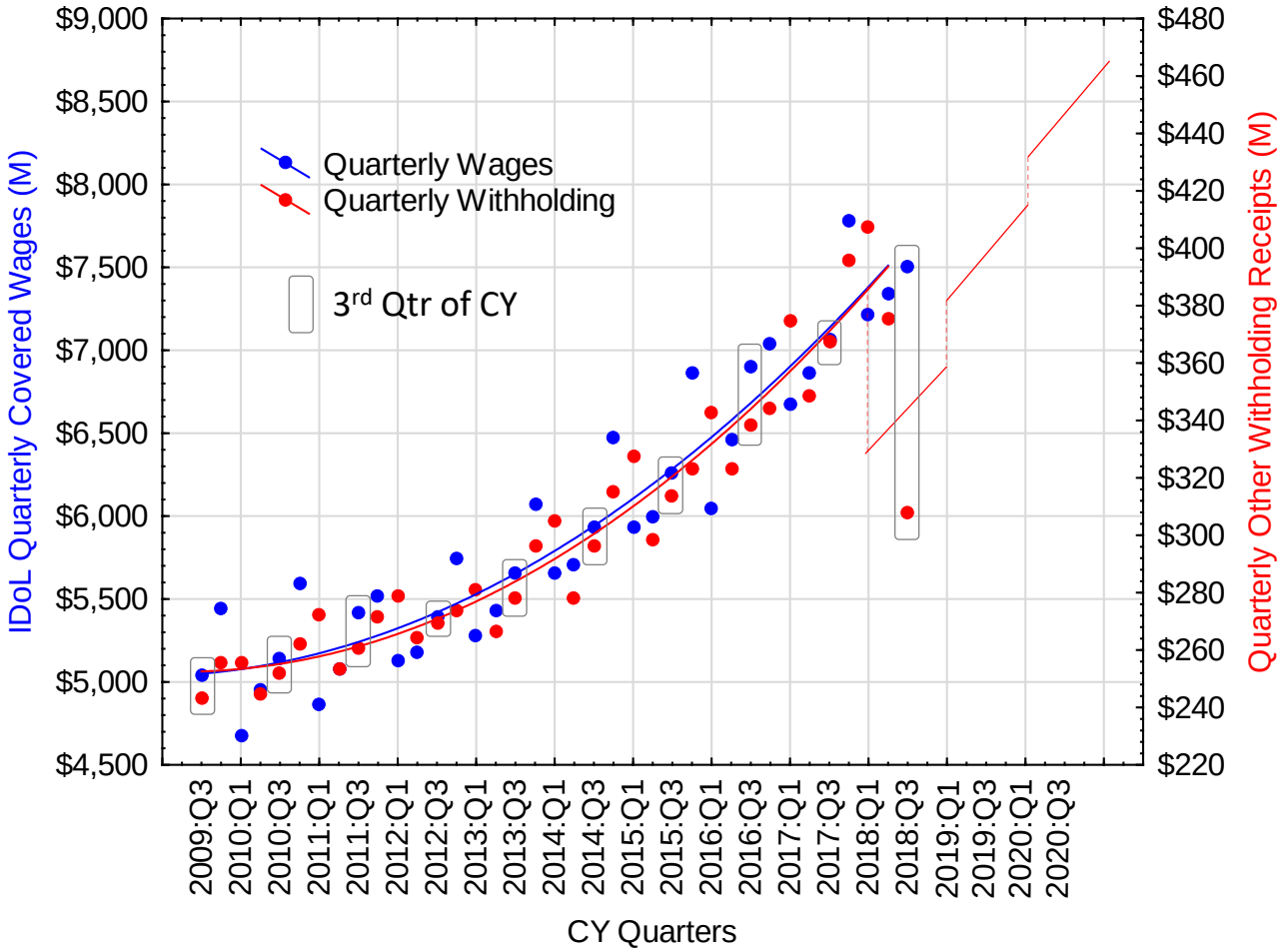
## Anticipated FY2019 Revenues (green)



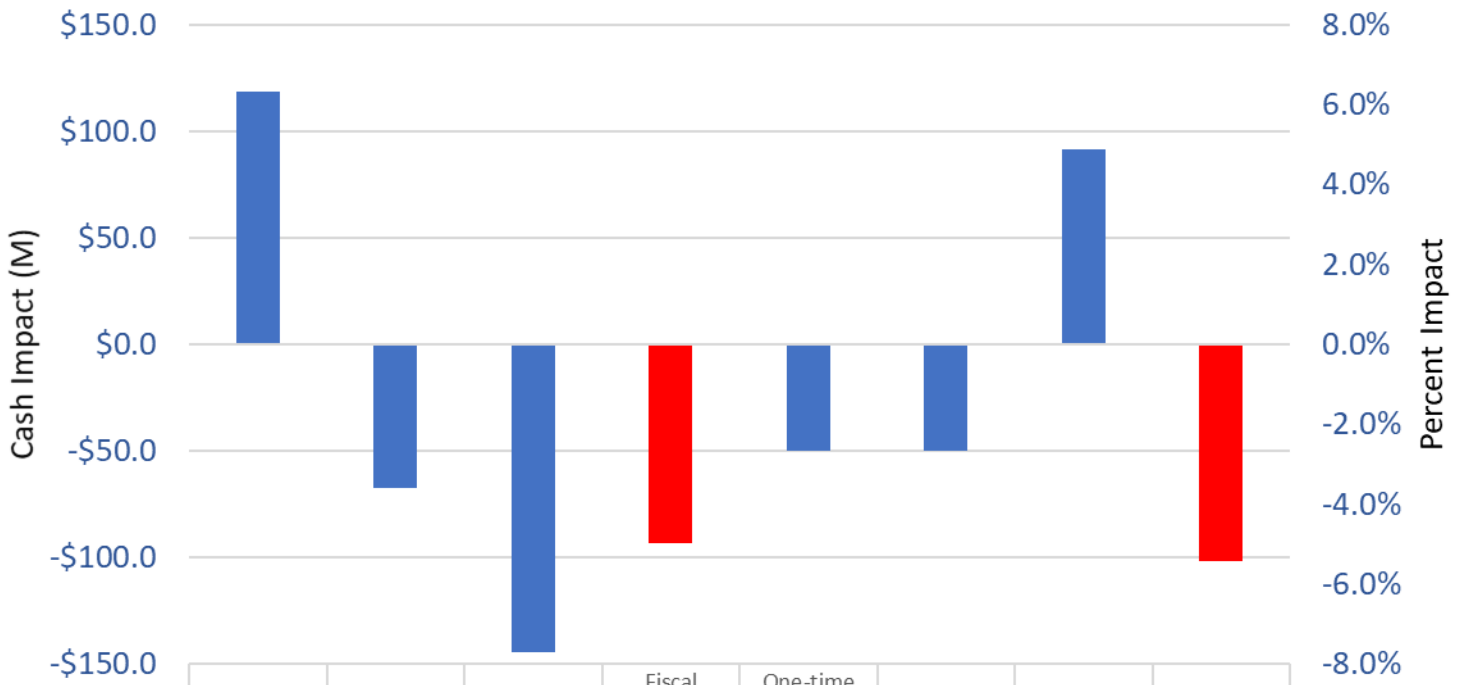
# FY 2018 & 2019 Monthly Refunds from Refund Fund



# Idaho Dept. of Labor Quarterly Wages & Idaho State Tax Commission Quarterly Withholding Receipts from 2009 with 2019 & 2020 Projection

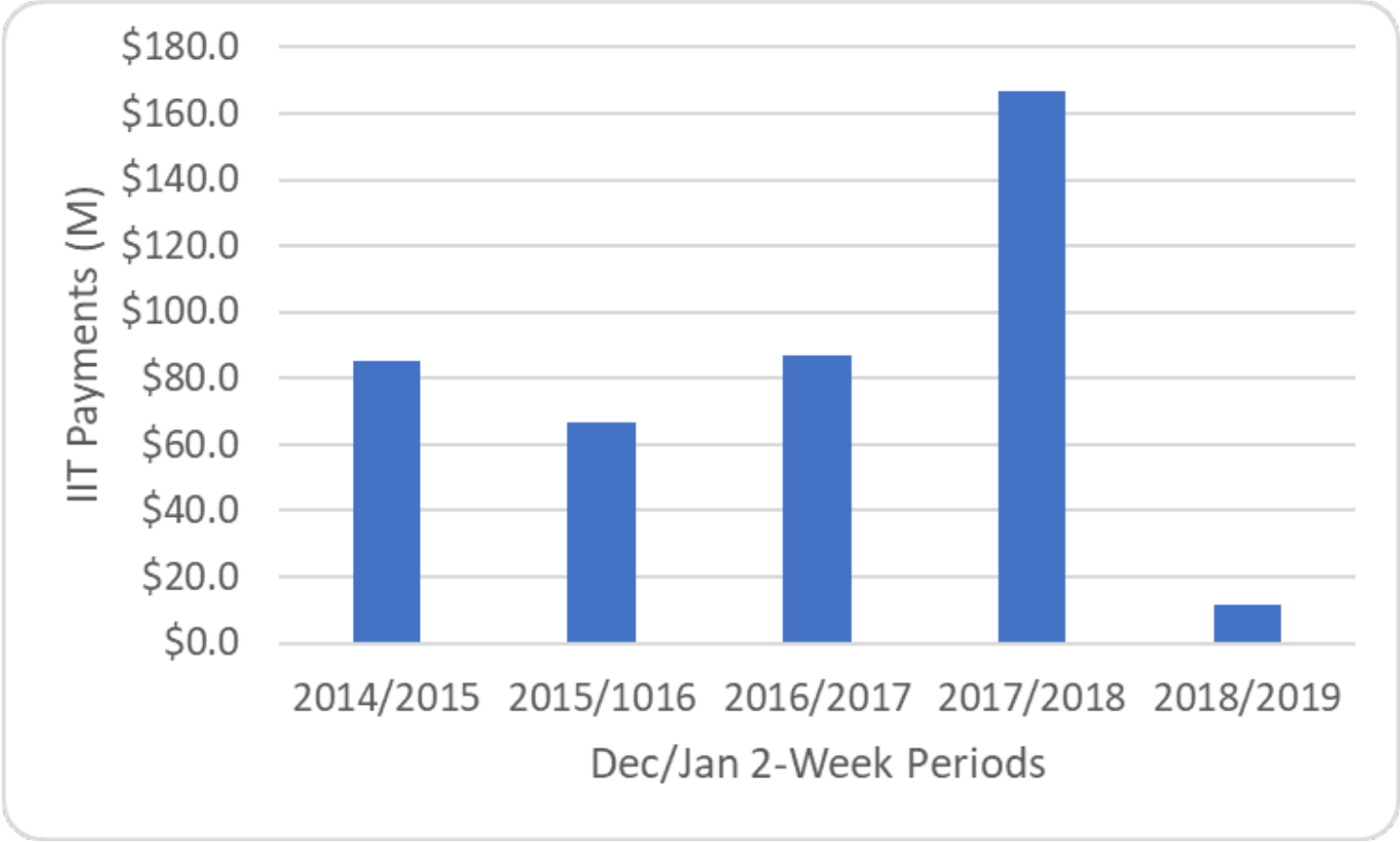


# FY2019 Individual Income Tax General Fund Impact




| | Changes in Tax Law | New Child Credit | Rate Reduction | Fiscal Notes Sub-total | One-time Early Payments | Deferred Payments | Economic Growth | Net Reduction |
|---|---|---|---|---|---|---|---|---|
| Cash Impact | 118.8 | -67.3 | -144.7 | -93.2 | -50.0 | -50.0 | 91.4 | -101.8 |
| Percent Impact | 6.5% | -3.7% | -7.9% | -5.1% | -2.7% | -2.7% | 5.0% | -5.6% |

# 2-Week Individual Income Tax Payment Totals for Late December/Early January 2014 - 2019



# State of Idaho General Fund Revenue Collections

## FY 2019 Monthly Revenue Monitoring

| | Month | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | FY15 Actual Collections | $240.9 | $222.0 | $268.3 | $233.5 | $214.6 | $272.0 | $320.6 | $141.9 | $176.4 | $482.4 | $187.0 | $297.1 | $3,056.8 |
| 2 | FY16 Actual Collections | $255.7 | $236.3 | $278.7 | $249.6 | $224.1 | $282.0 | $324.6 | $145.5 | $164.6 | $506.6 | $187.3 | $328.6 | $3,183.7 |
| 3 | FY17 Actual Collections | $279.7 | $250.6 | $304.4 | $283.3 | $223.6 | $320.0 | $364.5 | $146.3 | $168.1 | $536.6 | $210.2 | $361.1 | $3,448.4 |
| 4 | Difference FY17 to FY18 | $30.5 | $13.1 | $24.9 | ($2.5) | $31.8 | $57.4 | $84.8 | $19.8 | $31.4 | ($2.3) | $8.6 | ($14.3) | $283.2 |
| 5 | FY 18 Actual Collections | $310.3 | $263.7 | $329.3 | $280.9 | $255.5 | $377.3 | $449.2 | $166.1 | $199.5 | $534.3 | $218.8 | $346.7 | $3,731.6 |
| | Month | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | Total |
| 6 | Gov's Jan. Revised '19 | $301.7 | $266.6 | $329.6 | $270.8 | $243.7 | $343.1 | $400.7 | $131.8 | $203.4 | $666.6 | $227.6 | $364.8 | $3,750.3 |
| 7 | Difference from last year | ($8.6) | $2.9 | $0.3 | ($10.1) | ($11.8) | ($34.2) | ($48.5) | ($34.3) | $3.9 | $132.3 | $8.7 | $18.0 | $18.7 |
| 8 | % Change from FY18 | (2.8%) | 1.1% | 0.1% | (3.6%) | (4.6%) | (9.1%) | (10.8%) | (20.7%) | 2.0% | 24.8% | 4.0% | 5.2% | 0.5% |
| 9 | Cumulative Difference | ($8.6) | ($5.7) | ($5.4) | ($15.4) | ($27.2) | ($61.5) | ($110.0) | ($144.3) | ($140.3) | ($8.1) | $0.7 | $18.7 | |
| 10 | Cum % Change FY18 | (2.8%) | (1.0%) | (0.6%) | (1.3%) | (1.9%) | (3.4%) | (4.9%) | (5.9%) | (5.3%) | (0.3%) | 0.0% | 0.5% | |
| | Month | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | Total |
| 11 | FY19 Actual Collections | $301.7 | $266.6 | $329.6 | $270.8 | $243.7 | $303.0 | | | | | | | $1,715.3 |
| 12 | FY19 Cumulative | $301.7 | $568.3 | $897.9 | $1,168.7 | $1,412.4 | $1,715.3 | | | | | | | |
| | Actual vs Last Year | | | | | | | | | | | | | |
| 13 | Monthly Difference | ($8.6) | $2.9 | $0.3 | ($10.1) | ($11.8) | ($74.4) | | | | | | | ($101.6) |
| 14 | % Change from FY18 | (2.8%) | 1.1% | 0.1% | (3.6%) | (4.6%) | (19.7%) | | | | | | | (2.9%) |
| 15 | Cumulative Difference | ($8.6) | ($5.7) | ($5.4) | ($15.4) | ($27.2) | ($101.6) | | | | | | | |
| 16 | Cum % Change FY18 | (2.8%) | (1.0%) | (0.6%) | (1.3%) | (1.9%) | (5.6%) | | | | | | | |
| | Actual vs DFM | | | | | | | | | | | | | |
| 17 | Monthly Difference | | | | | | ($40.1) | | | | | | | ($40.1) |
| 18 | % Change from DFM | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | (11.7%) | | | | | | | (1.1%) |
| 19 | Cumulative Difference | | | | | | ($40.1) | | | | | | | |
| 20 | Cum % Change DFM | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | (2.3%) | | | | | | | |

| | By Tax Category | Individual Income | Corp. Income | Sales Tax | Product Taxes | Misc. Revenue | Total |
|---|---|---|---|---|---|---|---|
| 21 | December Collections | $126.6 | $31.2 | $130.1 | $4.6 | $10.5 | $303.0 |
| 22 | Difference from Last December | ($83.4) | ($3.4) | $11.6 | $0.3 | $0.5 | ($74.4) |
| 23 | % Change from Last December | (39.7%) | (9.9%) | 9.8% | 7.8% | 5.2% | (19.7%) |
| 24 | Cumulative From Last Year | ($195.1) | $27.8 | $61.8 | $3.5 | $0.4 | ($101.6) |
| 25 | From DFM Forecast for December | ($58.3) | $9.5 | $6.7 | ($0.2) | $2.2 | ($40.1) |
| 26 | Cumulative From DFM Forecast | ($58.3) | $9.5 | $6.7 | ($0.2) | $2.2 | ($40.1) |

**If all remaining months are the same as the DFM forecast then adjust 0.5% by (1.1%)**

**If all remaining months are the same as last year then % Chg from last year = (2.9%)**

# Idaho State Tax Commission General Fund Estimates for FY 2019 (in Millions)

| Idaho State Tax Commission General Fund Estimate for Fiscal 2019 (M) | | | | |
|---|---|---|---|---|
| Tax Type | FY 2018 Actual | FY 2019 Estimate | Difference | Percent Change |
| Individual Income Tax | $1,828.3 | $1,726.5 | -$101.8 | -5.57% |
| Corporate Income Tax | $238.7 | $257.8 | $19.1 | 8.00% |
| Sales Tax | $1,490.0 | $1,595.0 | $105.0 | 7.05% |
| | | | | |
| Product Taxes | | | | |
| Cigarette | $7.3 | $10.4 | $3.1 | 42.19% |
| Tobacco Products | $13.3 | $13.6 | $0.3 | 2.24% |
| Beer | $2.0 | $2.0 | $0.0 | 1.76% |
| Wine | $4.8 | $4.9 | $0.1 | 1.77% |
| Product Tax Total | $27.3 | $30.8 | $3.5 | 12.80% |
| | | | | |
| Other Taxes | | | | |
| KWH | $2.6 | $2.5 | -$0.1 | -5.48% |
| Mine License | $0.0 | $0.0 | $0.0 | 3.11% |
| Total | $2.6 | $2.5 | -$0.1 | -5.41% |
| ISTC Total | $3,587.0 | $3,612.6 | $25.6 | 0.71% |
| | | | | |
| General Funds Not Collected by the ISTC | $144.6 | $145.0 | $0.4 | 0.28% |
| Grand Total | $3,731.6 | $3,757.6 | $26.0 | 0.70% |

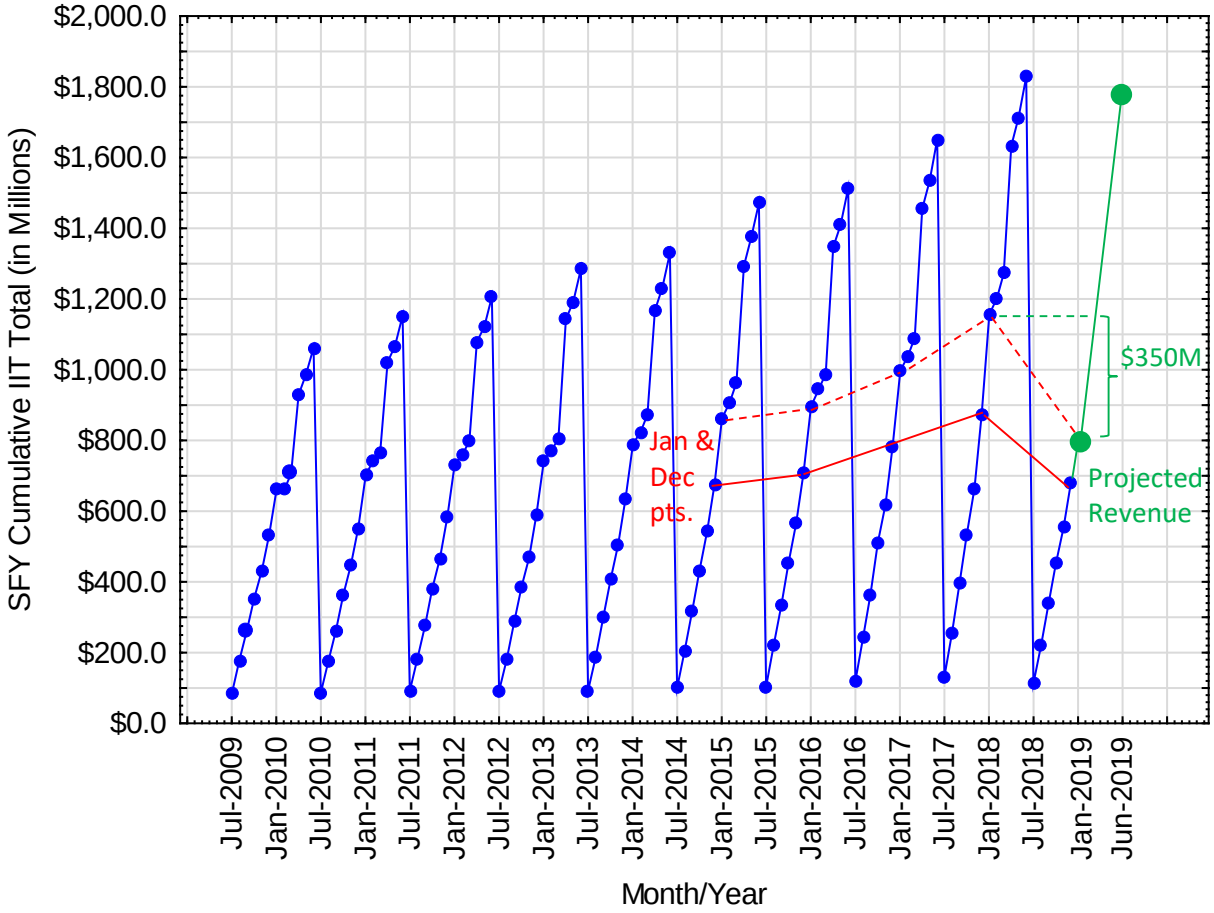
NOTE: Totals, subtotals, and percentages may not correctly add due to rounding of actual amounts.

# Idaho State Tax Commission General Fund Estimates for FY 2020 (in Millions)

| Idaho State Tax Commission General Fund Estimate for Fiscal 2020 (M) | | | | |
|---|---|---|---|---|
| Tax Type | FY 2019 Estimate | FY 2020 Estimate | Difference | Percent Change |
| Individual Income Tax | $1,726.5 | $1,812.8 | $86.3 | 5.00% |
| Corporate Income Tax | $257.8 | $265.5 | $7.7 | 3.00% |
| Sales Tax | $1,595.0 | $1,698.7 | $103.7 | 6.50% |
| | | | | |
| Product Taxes | | | | |
| Cigarette | $10.4 | $10.4 | $0.0 | 0.00% |
| Tobacco Products | $13.6 | $13.8 | $0.3 | 2.00% |
| Beer | $2.0 | $2.0 | $0.0 | 2.00% |
| Wine | $4.9 | $5.0 | $0.1 | 2.00% |
| Product Tax Total | $30.8 | $31.2 | $0.4 | 1.33% |
| | | | | |
| Other Taxes | | | | |
| KWH | $2.5 | $2.5 | $0.0 | 0.00% |
| Mine License | $0.0 | $0.0 | $0.0 | 0.00% |
| Total | $2.5 | $2.5 | $0.0 | 0.00% |
| ISTC Total | $3,612.6 | $3,810.8 | $198.1 | 5.48% |
| | | | | |
| General Funds Not Collected by the ISTC | $145.0 | $145.0 | $0.0 | 0.00% |
| Grand Total | $3,757.6 | $3,955.8 | $198.1 | 5.27% |
| NOTE: Totals, subtotals, and percentages may not correctly add due to rounding of actual amounts. | | | | |

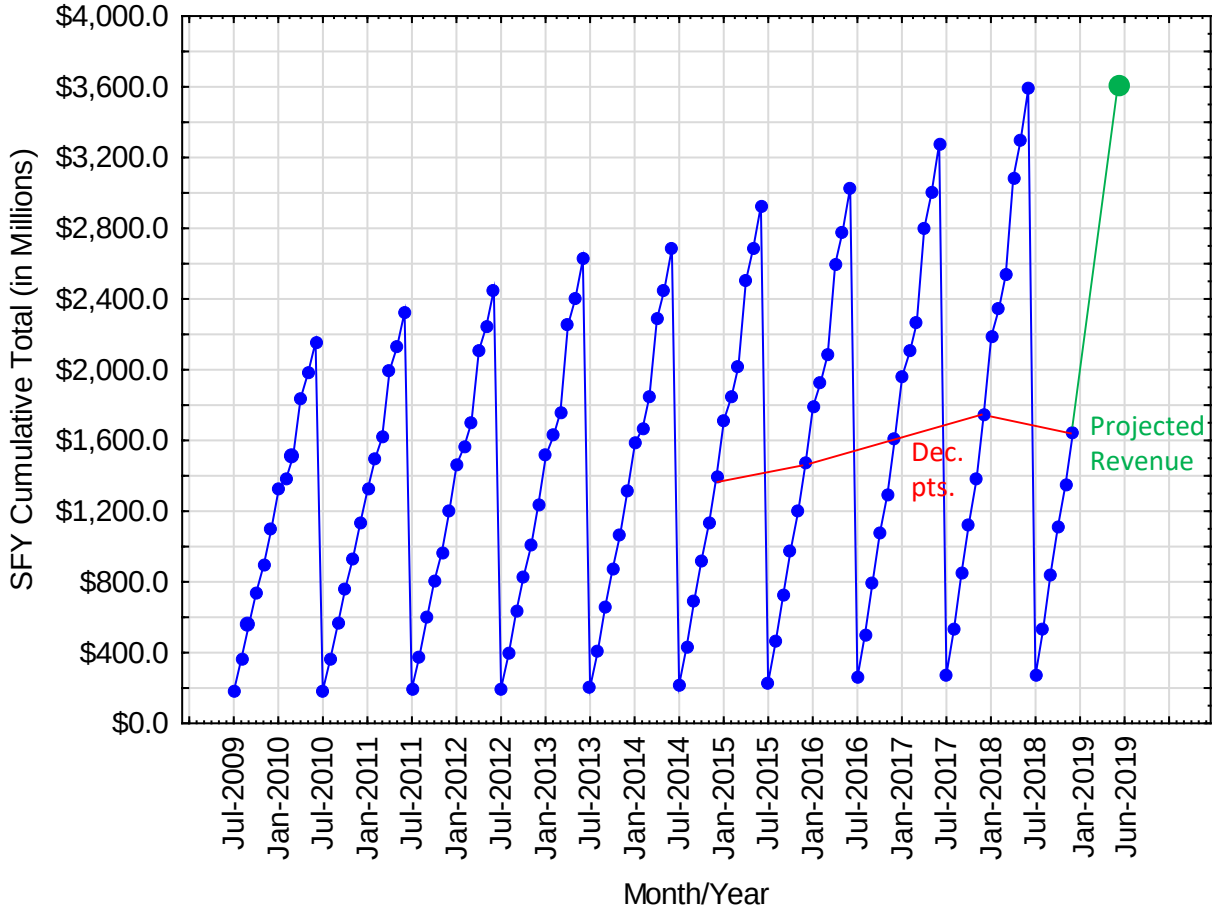
# Idaho State Tax Commission 2010 – 2018 Historical Fiscal Year-to-Date **Individual Income Tax** Revenue Distributed to General Fund

## Anticipated FY2019 Revenues (green)

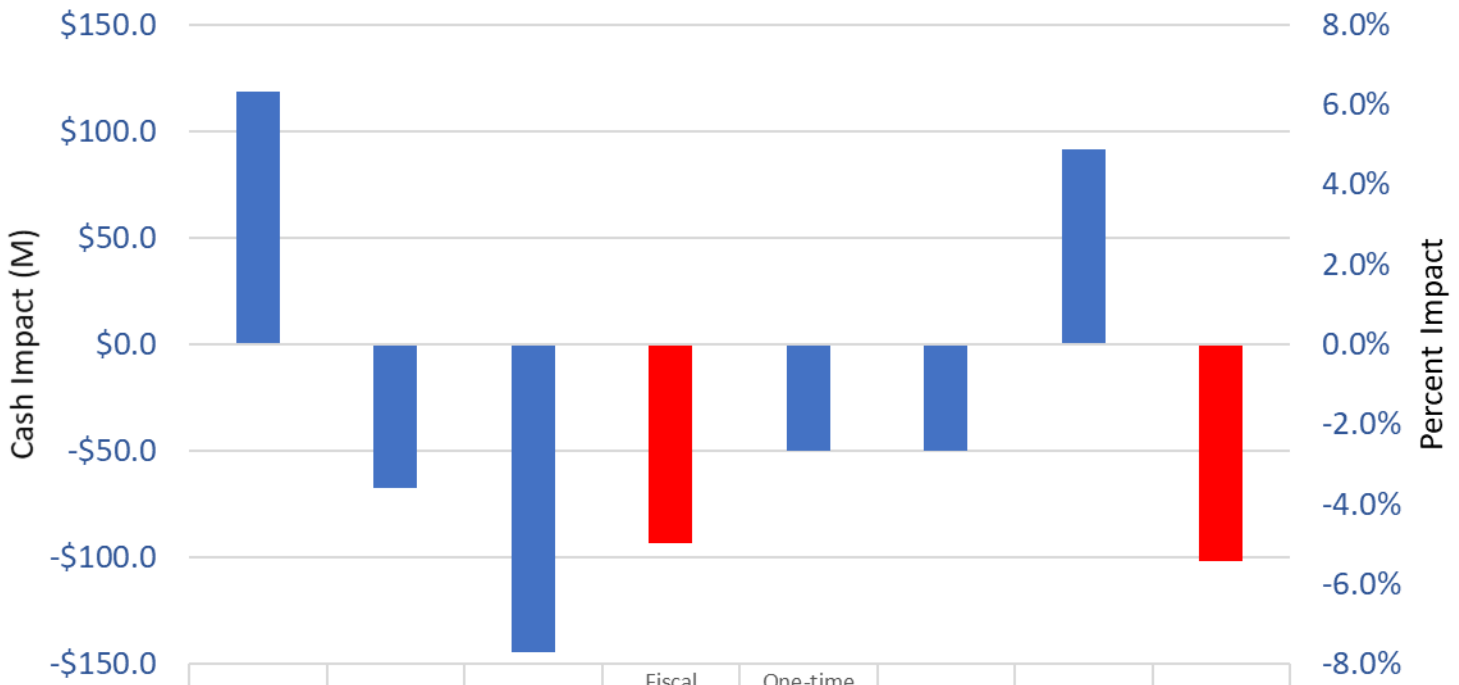


# Idaho State Tax Commission 2010 – 2018 Historical Fiscal Year-to-Date **Total Revenue** Distributed to General Fund

## Anticipated FY2019 Revenues (green)



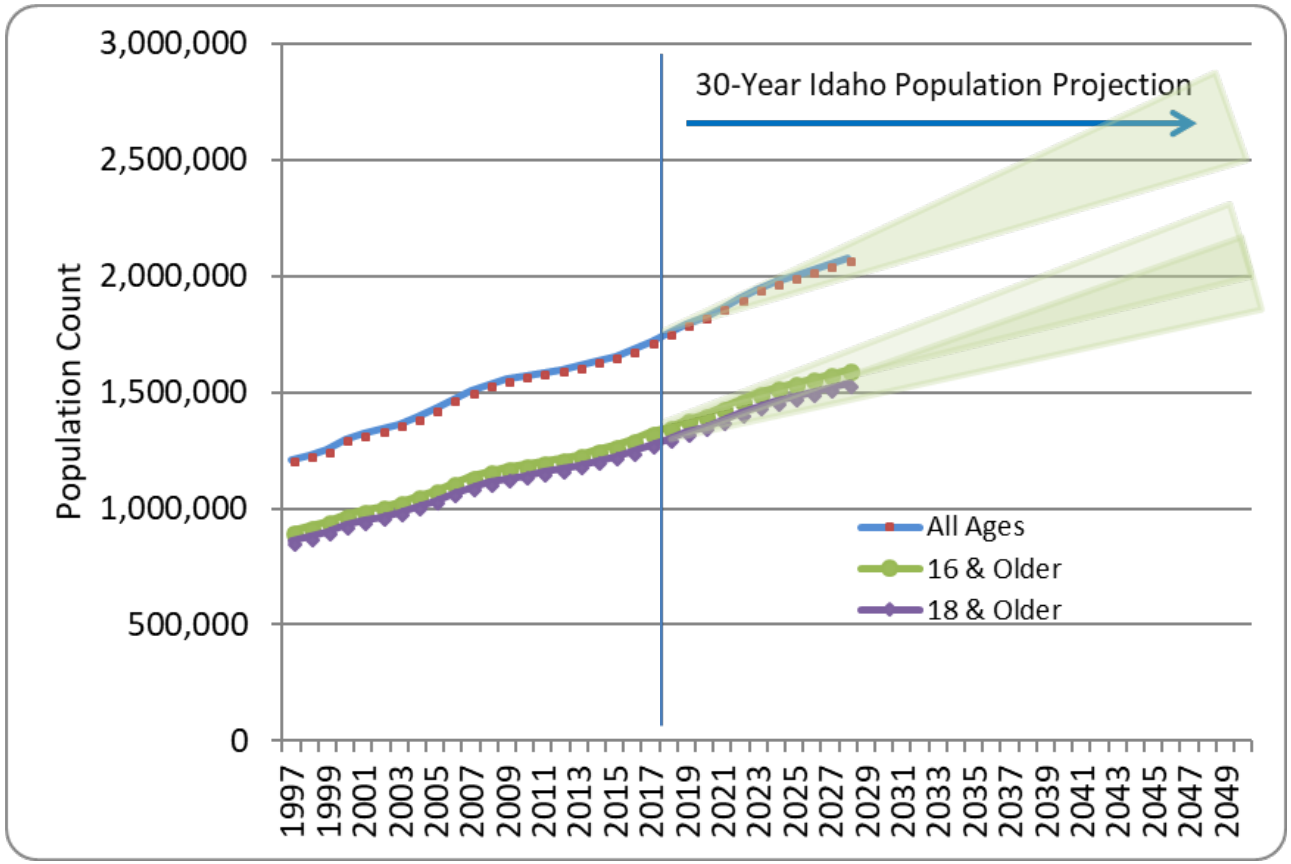
# FY2019 Individual Income Tax General Fund Impact




| | Changes in Tax Law | New Child Credit | Rate Reduction | Fiscal Notes Sub-total | One-time Early Payments | Deferred Payments | Economic Growth | Net Reduction |
|---|---|---|---|---|---|---|---|---|
| Cash Impact | 118.8 | -67.3 | -144.7 | -93.2 | -50.0 | -50.0 | 91.4 | -101.8 |
| Percent Impact | 6.5% | -3.7% | -7.9% | -5.1% | -2.7% | -2.7% | 5.0% | -5.6% |

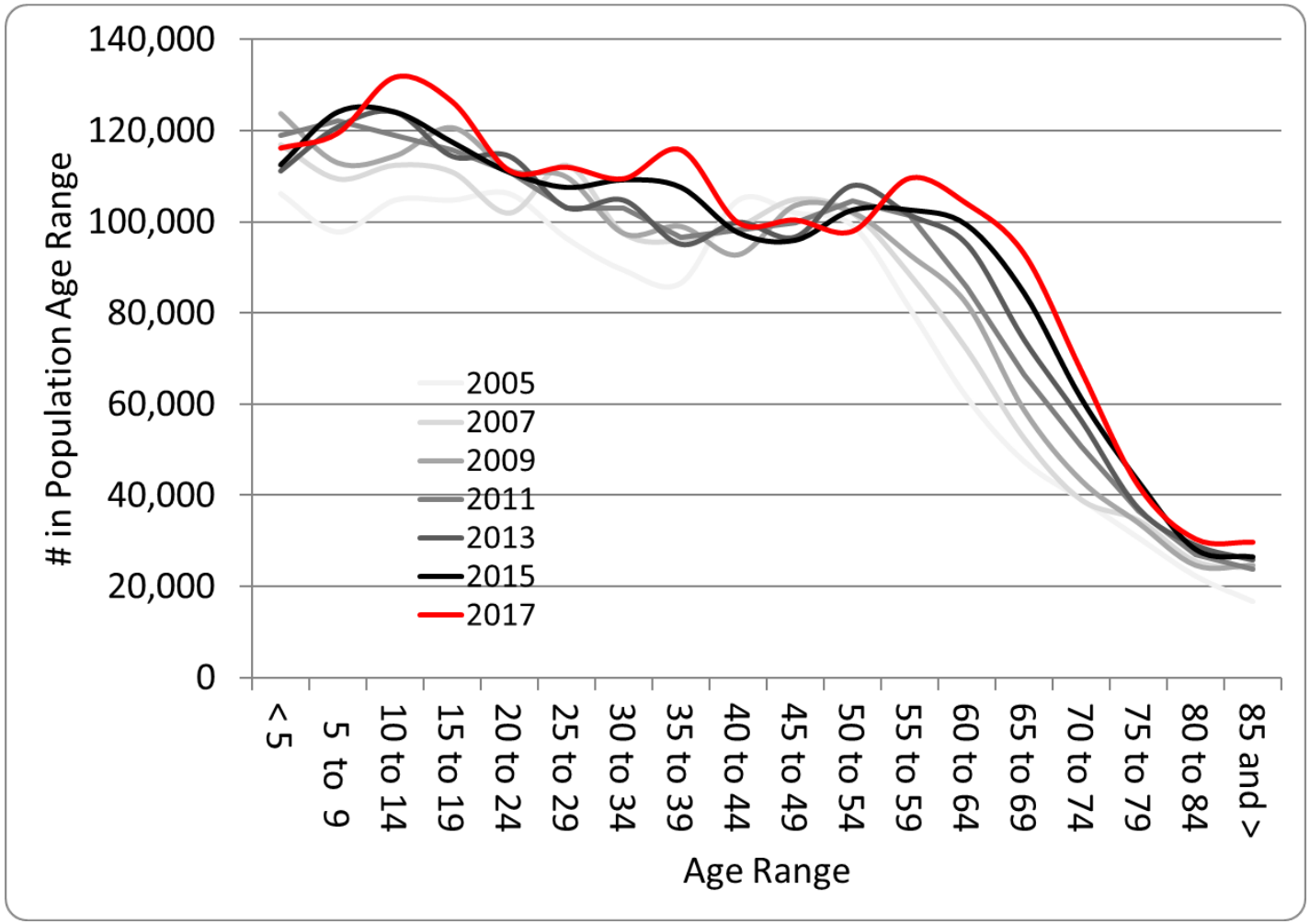
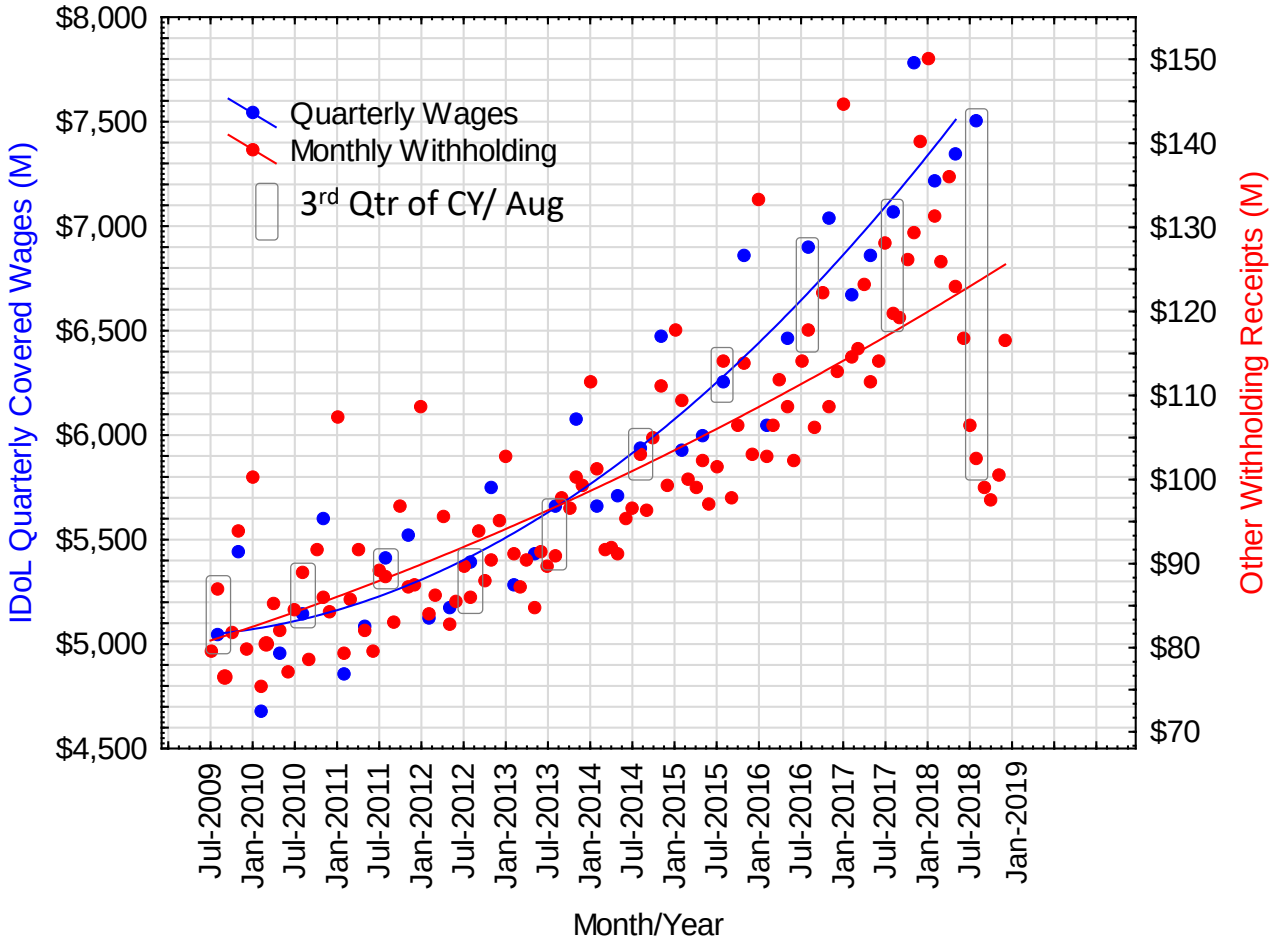
# Questions?

# Idaho Taxpaying Population With Projections from 2018 Forward




Data Sources: U.S. Census Bureau and Idaho State Tax Commission.

# U.S. Census Bureau's Idaho Population Estimates by Age from 2007 through 2017



# Idaho Dept. of Labor Quarterly Wages & Idaho State Tax Commission Monthly Withholding Receipts from 2009