

# **Joint Legislative Economic Outlook and Revenue Assessment Committee**

## **General Fund Revenue Forecast FY 2019, FY 2020, and FY 2021**

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**IDAHO GENERAL FUND REVENUES**  
**(\$ MILLION)**

SOURCE	ACTUAL				FORECAST		
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>INDIVIDUAL INCOME TAX</b>	<b>\$1,470.857</b>	<b>\$1,513.169</b>	<b>\$1,651.196</b>	<b>\$1,828.282</b>	<b>\$1,773.800</b>	<b>\$1,954.259</b>	<b>\$2,057.100</b>
% CHANGE	10.7%	2.9%	9.1%	10.7%	-3.0%	10.2%	5.3%
<b>CORPORATE INCOME TAX</b>	<b>\$215.403</b>	<b>\$186.869</b>	<b>\$214.020</b>	<b>\$238.708</b>	<b>\$223.181</b>	<b>\$256.323</b>	<b>\$268.022</b>
% CHANGE	14.4%	-13.2%	14.5%	11.5%	-6.5%	14.8%	4.6%
<b>SALES TAX</b>	<b>\$1,218.770</b>	<b>\$1,303.028</b>	<b>\$1,382.418</b>	<b>\$1,490.015</b>	<b>\$1,575.564</b>	<b>\$1,667.036</b>	<b>\$1,764.097</b>
% CHANGE	6.4%	6.9%	6.1%	7.8%	5.7%	5.8%	5.8%
CIGARETTE TAX	\$3.338	\$7.900	\$9.975	\$7.306	\$10.388	\$7.939	\$9.513
TOBACCO PRODUCTS	\$10.505	\$11.596	\$12.652	\$13.253	\$14.177	\$14.581	\$14.967
BEER TAX	\$1.911	\$1.934	\$1.935	\$1.965	\$1.972	\$1.989	\$2.006
WINE TAX	\$4.238	\$4.481	\$4.652	\$4.815	\$5.043	\$5.324	\$5.626
LIQUOR SURCHARGE	<u>\$25.480</u>	<u>\$25.890</u>	<u>\$28.880</u>	<u>\$30.960</u>	<u>\$33.235</u>	<u>\$33.866</u>	<u>\$35.696</u>
<b>PRODUCT TAXES</b>	<b>\$45.471</b>	<b>\$51.801</b>	<b>\$58.094</b>	<b>\$58.299</b>	<b>\$64.815</b>	<b>\$63.700</b>	<b>\$67.807</b>
% CHANGE	3.8%	13.9%	12.1%	0.4%	11.2%	-1.7%	6.4%
KILOWATT-HOUR TAX	\$1.918	\$1.877	\$2.108	\$2.592	\$2.200	\$2.000	\$2.000
MINE LICENSE TAX	\$0.069	(\$0.247)	\$0.050	\$0.024	\$0.100	\$0.125	\$0.150
INTEREST EARNINGS	(\$1.571)	\$0.324	(\$0.147)	\$4.654	\$6.389	\$12.390	\$13.002
COURT FEES AND FINES	\$6.141	\$6.025	\$8.444	\$9.184	\$7.852	\$7.886	\$8.007
INSURANCE PREMIUM TAX	\$61.747	\$72.123	\$75.423	\$70.486	\$67.886	\$68.416	\$70.409
ALCOHOLIC BEVERAGE LICENSES	(\$0.003)	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000
UCC FILINGS	\$2.765	\$3.009	\$3.169	\$3.484	\$3.684	\$3.885	\$4.085
UNCLAIMED PROPERTY	\$6.293	\$9.928	\$10.369	\$8.507	\$9.000	\$9.000	\$9.000
LANDS	\$0.720	\$0.000	\$0.130	\$1.141	\$0.032	\$0.031	\$0.031
ONE-TIME TRANSFERS	\$1.987	\$8.596	\$14.338	\$8.806	\$3.053	\$0.000	\$0.000
ESTATE TAX	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OTHER DEPTS & TRANSFERS	<u>\$26.198</u>	<u>\$27.192</u>	<u>\$28.796</u>	<u>\$7.424</u>	<u>\$12.766</u>	<u>\$12.379</u>	<u>\$12.582</u>
<b>MISC. REVENUE</b>	<b>\$106.265</b>	<b>\$128.828</b>	<b>\$142.679</b>	<b>\$116.301</b>	<b>\$112.961</b>	<b>\$116.113</b>	<b>\$119.267</b>
% CHANGE	-1.9%	21.2%	10.8%	-18.5%	-2.9%	2.8%	2.7%
<b>TOTAL GENERAL FUND*</b>	<b>\$3,056.77</b>	<b>\$3,183.694</b>	<b>\$3,448.407</b>	<b>\$3,731.606</b>	<b>\$3,750.321</b>	<b>\$4,057.430</b>	<b>\$4,276.293</b>
% CHANGE	8.6%	4.2%	8.3%	8.2%	0.5%	8.2%	5.4%



# Idaho General Fund Revenue Report

Brad Little, Governor  
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DIVISION OF FINANCIAL MANAGEMENT  
Executive Office of the Governor

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The revised Idaho FY 2019 General Fund revenue forecast is introduced in this month's report. It replaces the previous forecast that was published in August 2018. General Fund revenue is \$3,750.3 million in the updated forecast, which is 0.5% above FY 2018. It is slightly higher than the August projection of \$3,724.8 million.

The \$25.5 million increase from the previous forecast results from changes to the national and Idaho economic outlooks and actual collections during the fiscal year's first five months. The outlooks for two of five revenue sources were increased from their previous levels. The largest gain was to the corporate income tax. It exceeded expectations in each of the first five months of FY 2019, resulting in a surplus through November of \$31.0 million. Its annual projection was raised by \$15.5 million to \$223.2 million. Sales tax receipts were also stronger-than-expected through November, so the forecast was increased by \$11.8 million to \$1,575.6 million. Product tax expectations were reduced \$0.4 million and revenue from miscellaneous sources was left unchanged. Monthly individual income tax receipts were much lower than anticipated through November, resulting in a shortfall of \$114.5 million. Despite this shortfall, the revised individual income tax forecast for the full fiscal-year is virtually unchanged from the previous one, because the shortfall is a timing issue that should be largely resolved later this fiscal year.

General Fund revenue receipts for December 2018 were \$303.0 million, which was \$40.1 million (-11.7%) below the revised forecast of \$343.1 million. As has been the case in the previous five months, this month's results were dominated by lower-than-expected individual income tax receipts. They were \$58.3 million under the target. Product taxes experienced a much smaller shortfall of \$0.2 million. All other categories came in above their forecasts. The corporate income tax extended its surplus streak by exceeding the forecast by \$9.5 million, \$31.2 million versus \$21.7 million. The sales tax contributed \$130.1 million to General Fund this month, which was \$6.7 million above the prediction. Revenue from miscellaneous sources of \$10.5 million was \$2.2 million higher than anticipated.

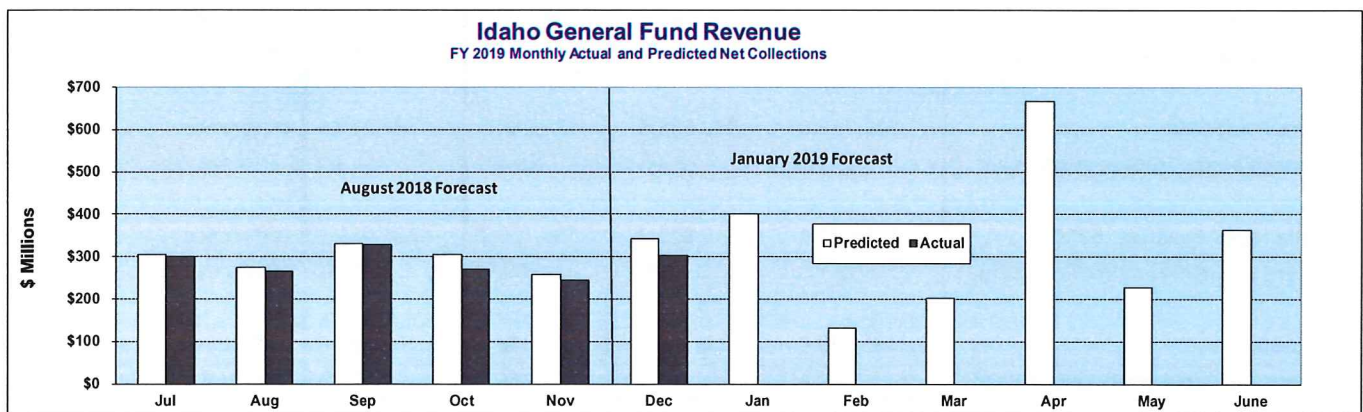
Individual income tax withholding payments were below their forecasts during the first five months of the fiscal year, with a cumulative shortfall of \$121.5 million. The revised forecast includes adjustments to lower the monthly errors during the remaining months of this fiscal year. One major change was moving the estimated impacts of the Idaho Child Tax credit to the withholding payments from the filing collections. December's withholding payments of \$116.7 million were just \$5.6 million below the revised forecast—the lowest shortfall of the fiscal year so far.

Individual filing payments suffered its largest shortfall of the fiscal year this

month—\$53.4 million. Historically, some taxpayers filed their estimated payments early to deduct their Idaho state and local taxes from their federal returns. However, the deduction is now subject to a \$10,000 cap. December's Idaho estimated payments' count plummeted to just under 2,600 from over 5,300 a year ago. Over the same period, average payments dropped from \$12,740 to \$3,770. This is a timing issue that should be resolved by higher filing payments and lower refunds later this fiscal year.

All components of the corporate income tax contributed this month to its \$9.5 million surplus. Estimated payments of \$32.9 million exceeded the projection by \$5.5 million. Filing collections made the second largest contribution of \$2.4 million to the surplus, thanks to collections of \$3.9 million that were more than twice the forecasted amount. The month's surplus was further augmented by refunds that were \$1.7 less than projected, \$5.7 million versus \$7.3 million.

The revised forecast predicted the sales tax revenue would advance 4.1% from December 2017. Instead, it grew by 9.8% over this time to \$130.1 million, which is \$6.7 million more than anticipated. The December sales tax receipts do not include holiday sales because they are not due until January. However, December's receipts do include the 2018 Black Friday sales.



# Idaho General Fund Collections for December 2018

<b>MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR DECEMBER</b>					
	<i>Actual FY 2017</i>	<i>Actual FY 2018</i>	<i>Actual FY 2019</i>	<i>Predicted FY 2019</i>	<i>Forecast Performance FY 2019</i>
<b>Individual Income Tax (\$000)</b>	\$166,194.0	\$209,960.8	\$126,590.5	\$184,853.4	<i>(Actual versus Predicted)</i> <b>Difference</b> <span style="color: red;">(\$58,262.9)</span>
<b>Percent Change from Previous Year</b>	17.0%	26.3%	-39.7%	-12.0%	<b>Percent</b> -31.5%
<b>Corporate Income Tax (\$000)</b>	\$31,106.8	\$34,607.8	\$31,166.1	\$21,702.0	<b>Difference</b> \$9,464.1
<b>Percent Change from Previous Year</b>	17.4%	11.3%	-9.9%	-37.3%	<b>Percent</b> 43.6%
<b>Sales Tax (\$000)</b>	\$109,302.3	\$118,532.8	\$130,102.8	\$123,434.7	<b>Difference</b> \$6,668.1
<b>Percent Change from Previous Year</b>	8.5%	8.4%	9.8%	4.1%	<b>Percent</b> 5.4%
<b>Product Tax (\$000)</b>	\$4,492.7	\$4,283.0	\$4,615.2	\$4,830.1	<b>Difference</b> <span style="color: red;">(\$214.9)</span>
<b>Percent Change from Previous Year</b>	13.4%	-4.7%	7.8%	12.8%	<b>Percent</b> -4.4%
<b>Miscellaneous Revenue (\$000)</b>	\$8,889.8	\$9,956.7	\$10,478.6	\$8,279.5	<b>Difference</b> \$2,199.1
<b>Percent Change from Previous Year</b>	1.5%	12.0%	5.2%	-16.8%	<b>Percent</b> 26.6%
<b>Total (\$000)</b>	\$319,985.7	\$377,341.2	\$302,953.1	\$343,099.7	<b>Difference</b> <span style="color: red;">(\$40,146.5)</span>
<b>Percent Change from Previous Year</b>	13.5%	17.9%	-19.7%	-9.1%	<b>Percent</b> -11.7%

<b>FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH DECEMBER</b>					
	<i>Actual FY 2017</i>	<i>Actual FY 2018</i>	<i>Actual FY 2019</i>	<i>Predicted FY 2019</i>	<i>Forecast Performance FY 2019</i>
<b>Individual Income Tax (\$000)</b>	\$784,581.5	\$874,615.6	\$679,535.5	\$737,798.5	<i>(Actual versus Predicted)</i> <b>Difference</b> <span style="color: red;">(\$58,262.9)</span>
<b>Percent Change from Previous Year</b>	10.8%	11.5%	-22.3%	-15.6%	<b>Percent</b> -7.9%
<b>Corporate Income Tax (\$000)</b>	\$95,393.5	\$91,169.3	\$118,963.7	\$109,499.6	<b>Difference</b> \$9,464.1
<b>Percent Change from Previous Year</b>	10.9%	-4.4%	30.5%	20.1%	<b>Percent</b> 8.6%
<b>Sales Tax (\$000)</b>	\$708,916.0	\$762,763.7	\$824,548.6	\$817,880.5	<b>Difference</b> \$6,668.1
<b>Percent Change from Previous Year</b>	7.2%	7.6%	8.1%	7.2%	<b>Percent</b> 0.8%
<b>Product Tax (\$000)</b>	\$32,712.6	\$32,568.5	\$36,046.0	\$36,260.9	<b>Difference</b> <span style="color: red;">(\$214.9)</span>
<b>Percent Change from Previous Year</b>	13.9%	-0.4%	10.7%	11.3%	<b>Percent</b> -0.6%
<b>Miscellaneous Revenue (\$000)</b>	\$40,025.1	\$55,829.7	\$56,250.2	\$54,051.1	<b>Difference</b> \$2,199.1
<b>Percent Change from Previous Year</b>	-5.1%	39.5%	0.8%	-3.2%	<b>Percent</b> 4.1%
<b>Total (\$000)</b>	\$1,661,628.8	\$1,816,946.8	\$1,715,344.1	\$1,755,490.6	<b>Difference</b> <span style="color: red;">(\$40,146.5)</span>
<b>Percent Change from Previous Year</b>	8.9%	9.3%	-5.6%	-3.4%	<b>Percent</b> -2.3%