



ATI Presentation to the Economic Outlook and Revenue Assessment Committee

Prepared By:

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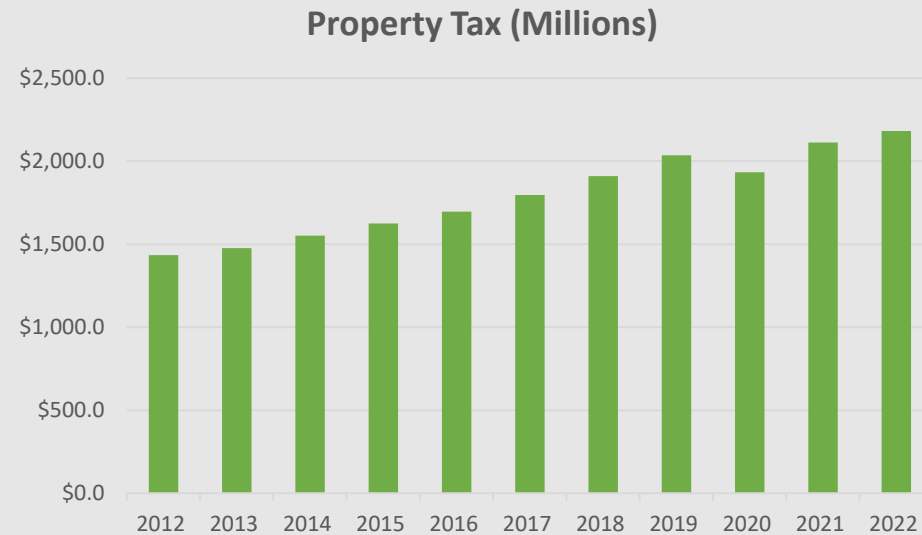
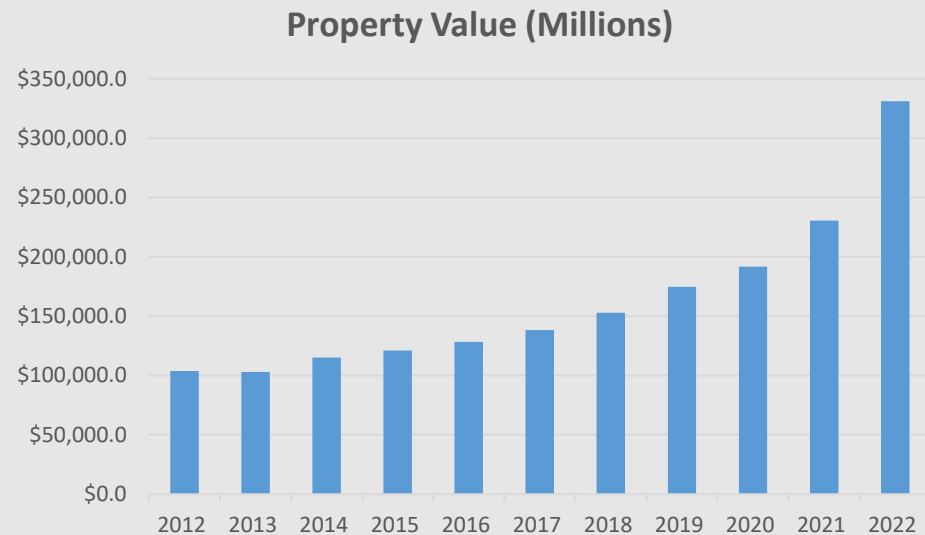
January 6th, 2023

Economic Outlook Presentation Outline

1. Statewide Property Tax Picture
2. Taxpayer Individual and Corporate Taxpayer
3. Financial probability analysis and modeling Major Tax Revenue
4. Legislative Actions and Idaho's Economy related to the forecast
5. FY2023 & FY2024 ATI Forecast

Statewide Property Tax Picture

Historical Property Tax Picture



Note: In 2020 Covid19 funds were given to districts, but they had to reduce their budgets to receive it. Not all districts took advantage of this tax savings for property taxpayers, but some districts did. This resulted in a decrease of taxes collected for Levy year 2020.

2022 Assessed Market Value Per County

<u>COUNTY</u>	<u>2022</u>	<u>2021</u>	<u>DIFFERENCE</u>	<u>% Chg.</u>
Ada	\$104,886,747,160	\$75,716,095,832	29,170,651,328	38.5%
Adams	1,282,502,086	901,928,620	380,573,466	42.2%
Bannock	8,293,540,656	6,097,220,192	2,196,320,464	36.0%
Bear Lake	1,806,937,997	1,223,389,229	583,548,768	47.7%
Benewah	1,299,022,863	870,326,530	428,696,333	49.3%
Bingham	3,715,022,354	2,616,643,351	1,098,379,003	42.0%
Blaine	18,982,505,077	13,850,579,923	5,131,925,154	37.1%
Boise	2,754,938,545	1,644,478,638	1,110,459,907	67.5%
Bonner	14,807,364,517	9,698,315,762	5,109,048,755	52.7%
Bonneville	13,819,982,451	10,216,574,129	3,603,408,322	35.3%
Boundary	2,263,599,552	1,344,670,583	918,928,969	68.3%
Butte	236,695,845	207,201,814	29,494,031	14.2%
Camas	247,902,033	186,714,713	61,187,320	32.8%
Canyon	32,599,310,853	21,736,036,682	10,863,274,171	50.0%
Caribou	1,371,968,574	1,080,232,964	291,735,610	27.0%
Cassia	2,703,906,204	1,998,571,085	705,335,119	35.3%
Clark	181,306,456	156,984,342	24,322,114	15.5%
Clearwater	997,978,239	758,828,962	239,149,277	31.5%
Custer	988,363,057	821,510,412	166,852,645	20.3%
Elmore	3,140,742,683	2,362,321,981	778,420,702	33.0%
Franklin	1,395,147,866	1,132,274,984	262,872,882	23.2%
Fremont	3,128,960,592	2,277,237,705	851,722,887	37.4%
Gem	2,858,871,087	1,937,042,290	921,828,797	47.6%
Gooding	2,105,294,231	1,776,644,090	328,650,141	18.5%
Idaho	2,258,954,205	1,771,835,931	487,118,274	27.5%
Jefferson	3,157,826,875	2,242,742,538	915,084,337	40.8%
Jerome	2,446,082,507	1,869,954,823	576,127,684	30.8%
Kootenai	45,788,391,255	26,653,011,244	19,135,380,011	71.8%
Latah	3,808,860,172	2,895,890,823	912,969,349	31.5%
Lemhi	1,302,193,849	902,816,288	399,377,561	44.2%
Lewis	399,765,853	341,670,517	58,095,336	17.0%
Lincoln	606,931,489	521,916,949	85,014,540	16.3%
Madison	3,205,458,304	2,548,766,186	656,692,118	25.8%
Minidoka	2,242,323,736	1,779,457,726	462,866,010	26.0%
Nez Perce	5,040,720,206	4,072,227,338	968,492,868	23.8%
Oneida	480,374,275	417,416,776	62,957,499	15.1%
Owyhee	1,377,439,257	985,435,107	392,004,150	39.8%
Payette	3,461,117,000	2,412,986,553	1,048,130,447	43.4%
Power	1,251,697,562	1,107,963,537	143,734,025	13.0%
Shoshone	1,831,785,269	1,290,311,861	541,473,408	42.0%
Teton	4,670,988,992	2,812,955,431	1,858,033,561	66.1%
Twin Falls	10,495,392,269	7,705,562,932	2,789,829,337	36.2%
Valley	10,270,761,424	6,424,404,439	3,846,356,985	59.9%
Washington	1,317,517,438	1,073,046,770	244,470,668	22.8%
TOTAL	\$331,283,192,915	\$230,442,198,582	\$100,840,994,333	43.8%

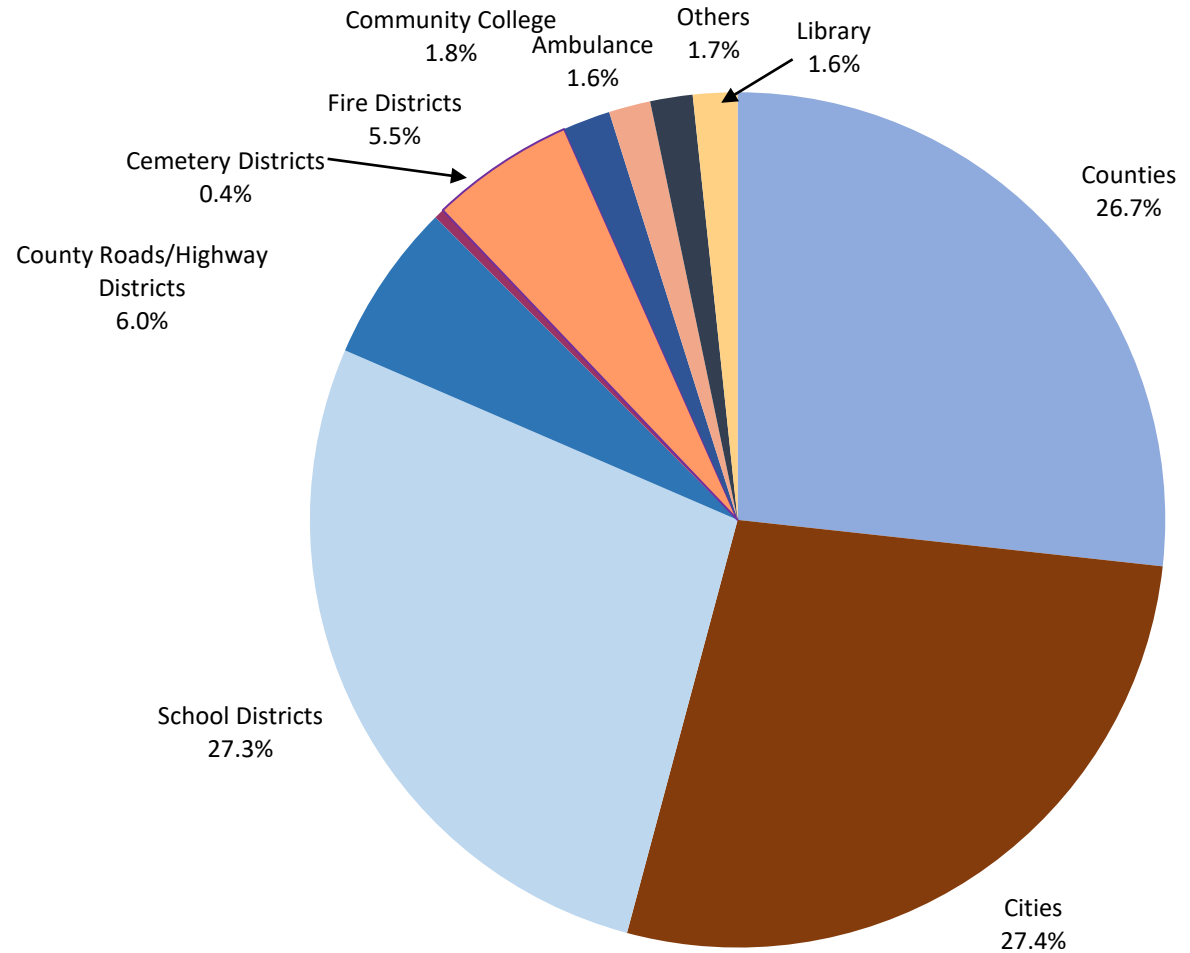
Note: This report does not include previous year's subroll (est. only)

Statewide Property Taxes Paid

STATEWIDE PROPERTY TAXES			
	PROPERTY TAX	ANNUAL CHANGE	% CHANGE
2002	\$1,021,276,868	72,801,575	7.7%
2003	\$1,081,105,698	59,828,830	5.9%
2004	\$1,140,757,718	59,652,020	5.5%
2005	\$1,239,148,202	98,390,484	8.6%
2006	\$1,097,683,066	(141,465,136)	-11.4%
2007	\$1,217,829,785	120,146,719	10.9%
2008	\$1,315,790,274	97,960,489	8.0%
2009	\$1,341,395,585	25,605,311	1.9%
2010	\$1,367,940,792	26,545,207	2.0%
2011	\$1,380,558,410	12,617,618	0.9%
2012	\$1,433,552,775	52,994,365	3.8%
2013	\$1,502,618,576	69,065,801	4.8%
2014	\$1,552,078,438	49,459,862	3.3%
2015	\$1,624,573,968	72,495,530	4.7%
2016	\$1,696,733,952	72,159,984	4.4%
2017	\$1,795,705,281	98,971,329	5.8%
2018	\$1,910,142,379	114,437,098	6.4%
2019	\$2,035,175,763	125,033,384	6.5%
2020	\$1,932,496,900	(102,678,863)	-5.0%
2021	\$2,112,732,781	180,235,881	9.3%
2022	\$2,181,652,757	68,919,976	3.3%
	AVERAGE ANNUAL % CHANGE:		4.2%

Property Tax Expenditures by Taxing Unit

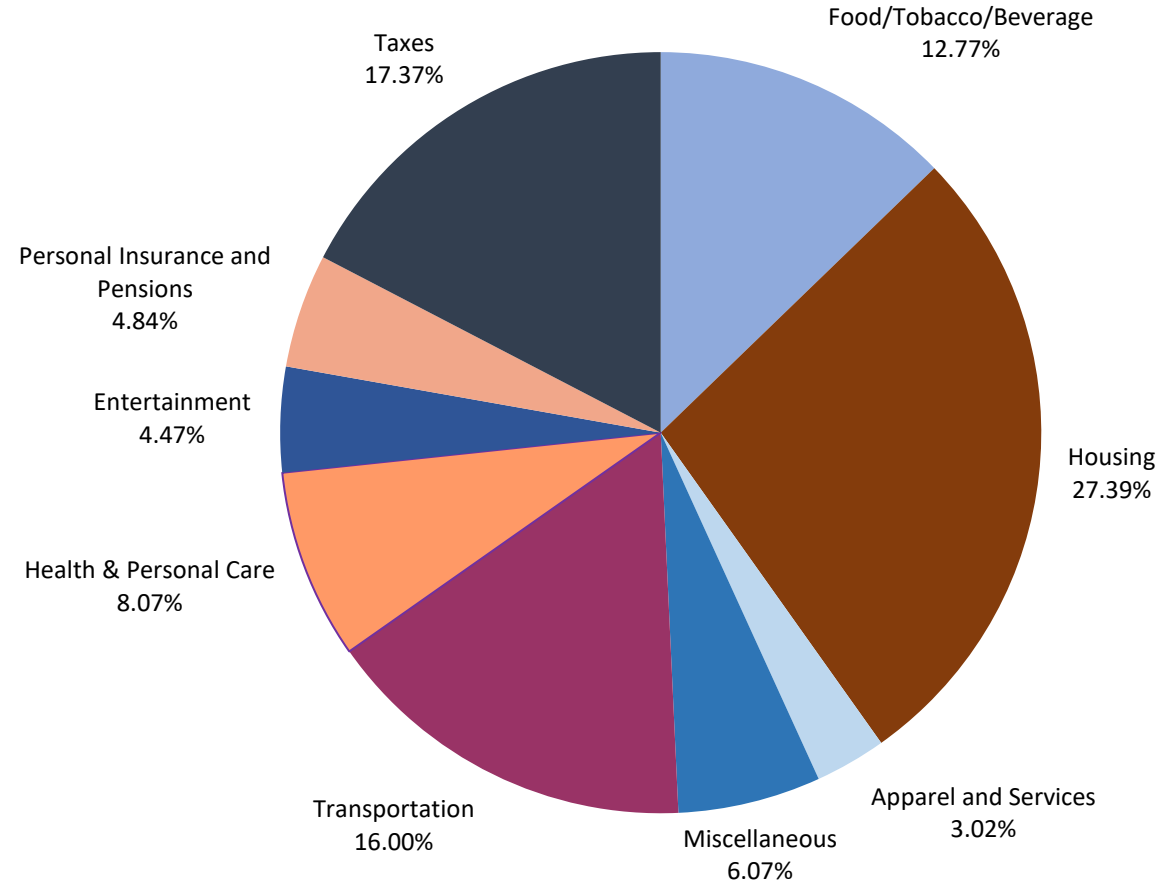
	2022
	Tax Charges
Counties	\$583,232,343
Cities	\$598,481,538
School Districts	\$596,067,358
County Roads/Highway Districts	\$131,362,245
Cemetery Districts	\$8,328,054
Fire Districts	\$119,149,055
Community College	\$39,066,225
Library	\$34,358,573
Ambulance	\$34,981,880
Others	\$36,625,486
TOTAL	<u>\$2,181,652,757</u>
*Total amounts may change slightly	



Hypothetical Tax Individual and Corp Taxpayers

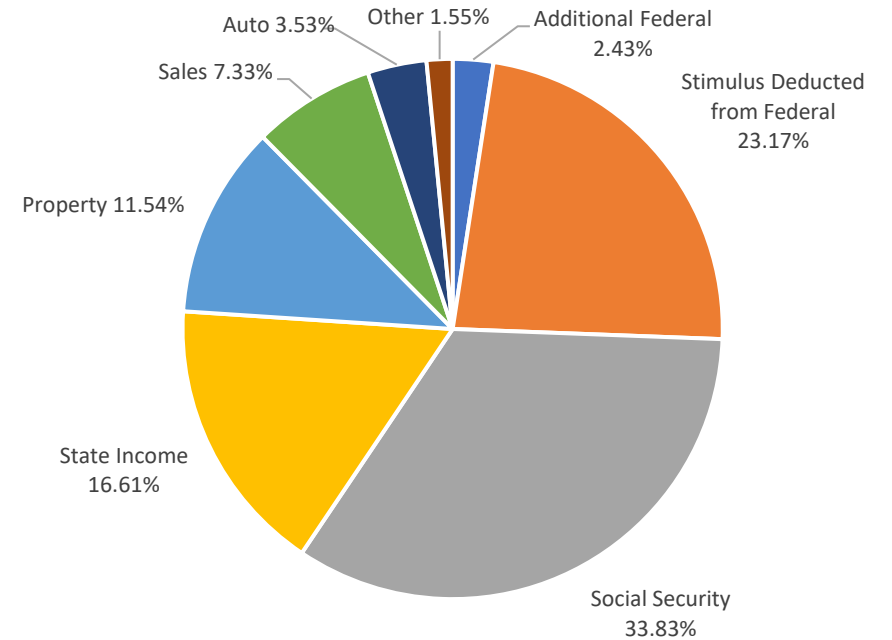
Spud Family Expenses

Percentages	
Housing	27.39%
Taxes	17.37%
Transportation	16.00%
Food 1	12.77%
Health & Personal Care 3	8.07%
Miscellaneous 2	6.07%
Personal Insurance & Pensions	4.84%
Entertainment	4.47%
Apparel & Services	3.02%
Dollar Amounts	
Housing	\$30,322
Taxes	\$19,228
Transportation	\$17,705
Food 1	\$14,133
Health & Personal Care 3	\$8,928
Miscellaneous 2	\$6,721
Personal Insurance & Pensions	\$5,356
Entertainment	\$4,945
Apparel & Services	\$3,346



Spud Family Taxes

Idaho Family Tax Burden					
	2017	2018	2019	2020	2021 est.
Federal AGI (Spud Family Income)	\$90,992	\$98,740	\$100,637	\$110,685	\$115,020
Federal Taxable Income (Spud Family)	\$55,832	\$74,740	\$76,237	\$85,585	\$89,320
Idaho Taxable Income (Spud Family)	\$59,704	\$74,622	\$76,237	\$85,585	\$89,320
Home/Lot Value	\$248,184	\$280,890	\$311,529	\$355,876	\$444,679
Taxable Home/Lot Value	\$148,184	\$180,890	\$211,529	\$255,876	\$319,679
Spud Family Taxes as a % of Income	23.46%	21.74%	22.33%	17.37%	16.34%
Federal Income Taxes	\$5,441	\$4,586	\$4,759	\$6,407	\$5,149
Social Security/Medicare	\$6,944	\$7,545	\$7,699	\$8,467	\$8,799
State Income Taxes	\$3,920	\$3,849	\$4,347	\$4,585	\$4,520
Property Taxes	\$2,239	\$2,601	\$2,807	\$2,889	\$3,334
Sales Taxes	\$1,508	\$1,626	\$1,632	\$1,834	\$1,881
Automobile Taxes	\$823	\$824	\$824	\$884	\$884
Excise Taxes	\$230	\$230	\$230	\$230	\$230
Franchise/Other Taxes/Fees	\$187	\$182	\$170	\$158	\$245
Stimulus/Extra Refund				(\$6,227)	(\$6,246)
Spud Family Taxes	\$21,292	\$21,443	\$22,468	\$19,228	\$18,796

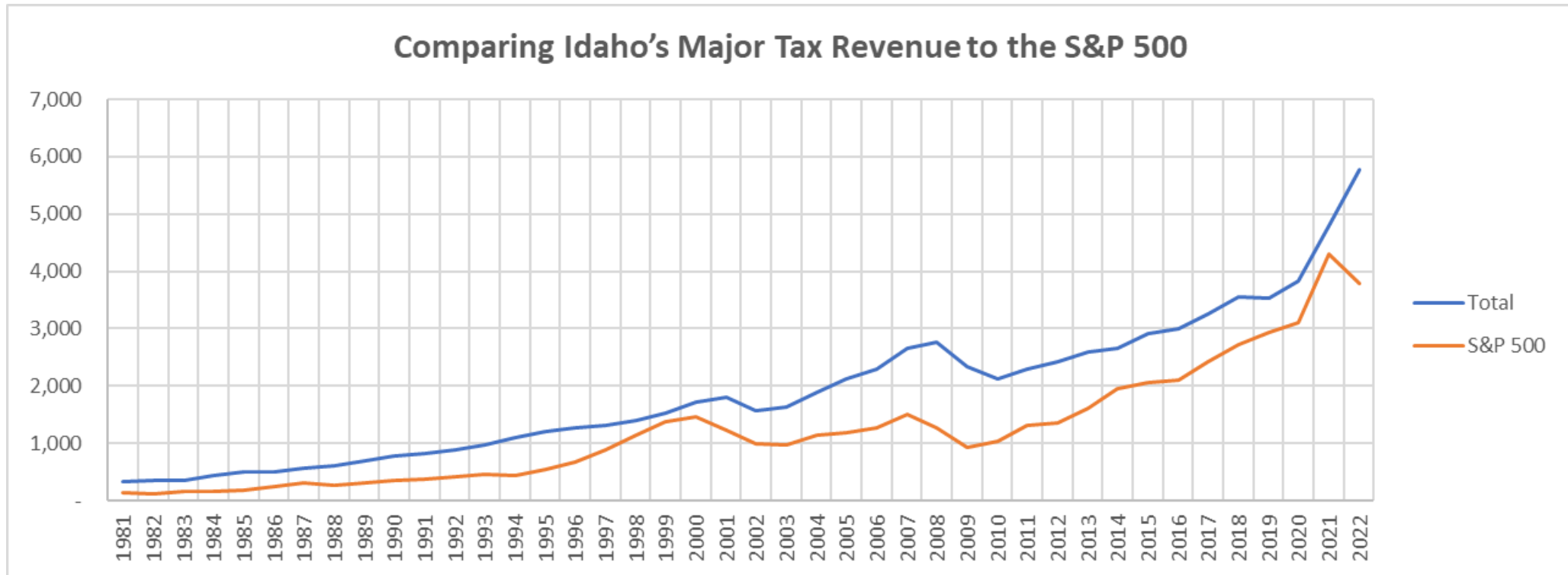


Hypothetical Manufacturer Taxes

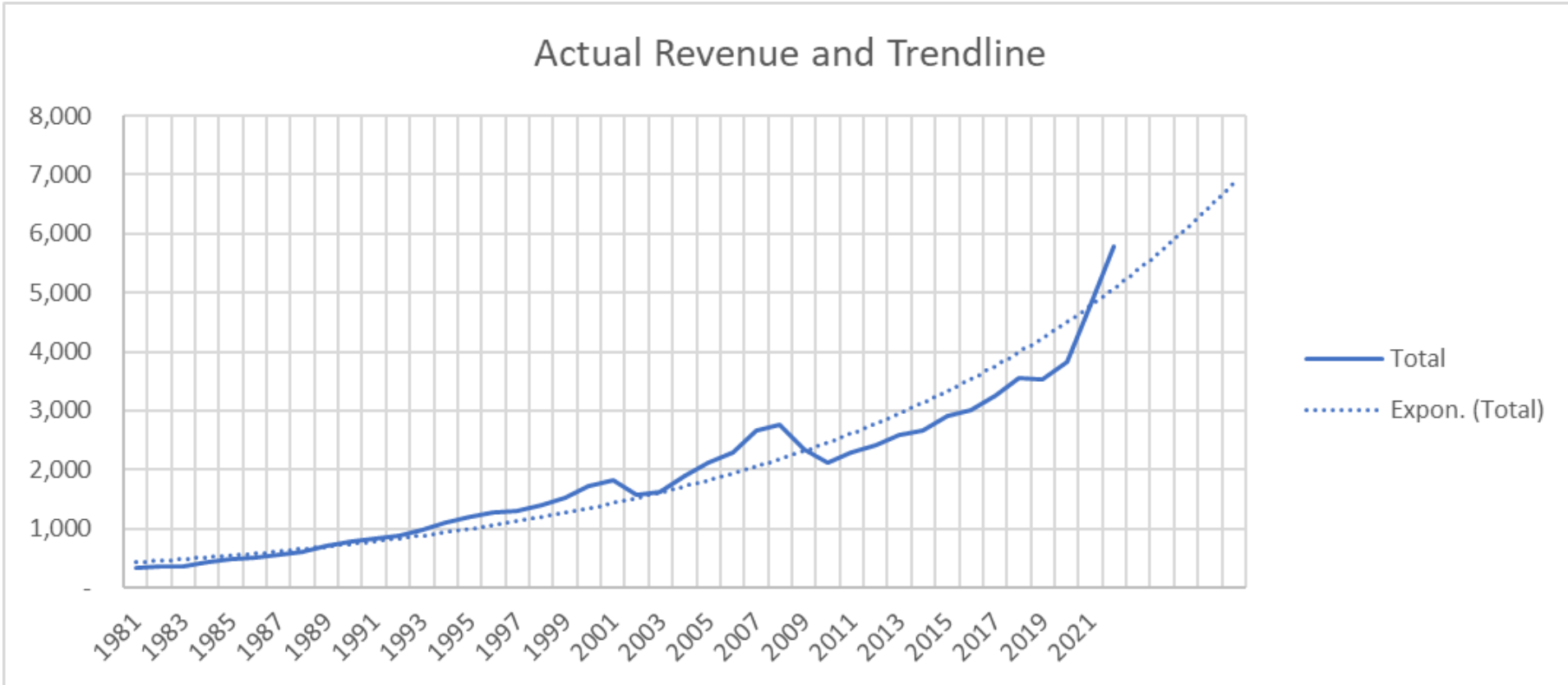
Exaple of Taxes paid by a manufacturing entity with annual net taxable income of \$15M			
	Income/Sales		% of Total
a. Sales Tax*	4,166,667	250,000	2.8%
b. Idaho State Income Taxes	15,000,000	870,000	9.7%
c. Federal Income Taxes	15,000,000	4,440,000	49.6%
d. Payroll taxes and employee benefits**		1,035,000	11.6%
e. Real Property Taxes		1,500,000	16.7%
f. Personal Property Taxes		865,000	9.7%
Total Tax & Employee Expenses		8,960,000	100.0%
*Spud Corp has an exemption for production equipment.			
**Includes health insurance			

State Revenue Financial Analysis and Modeling

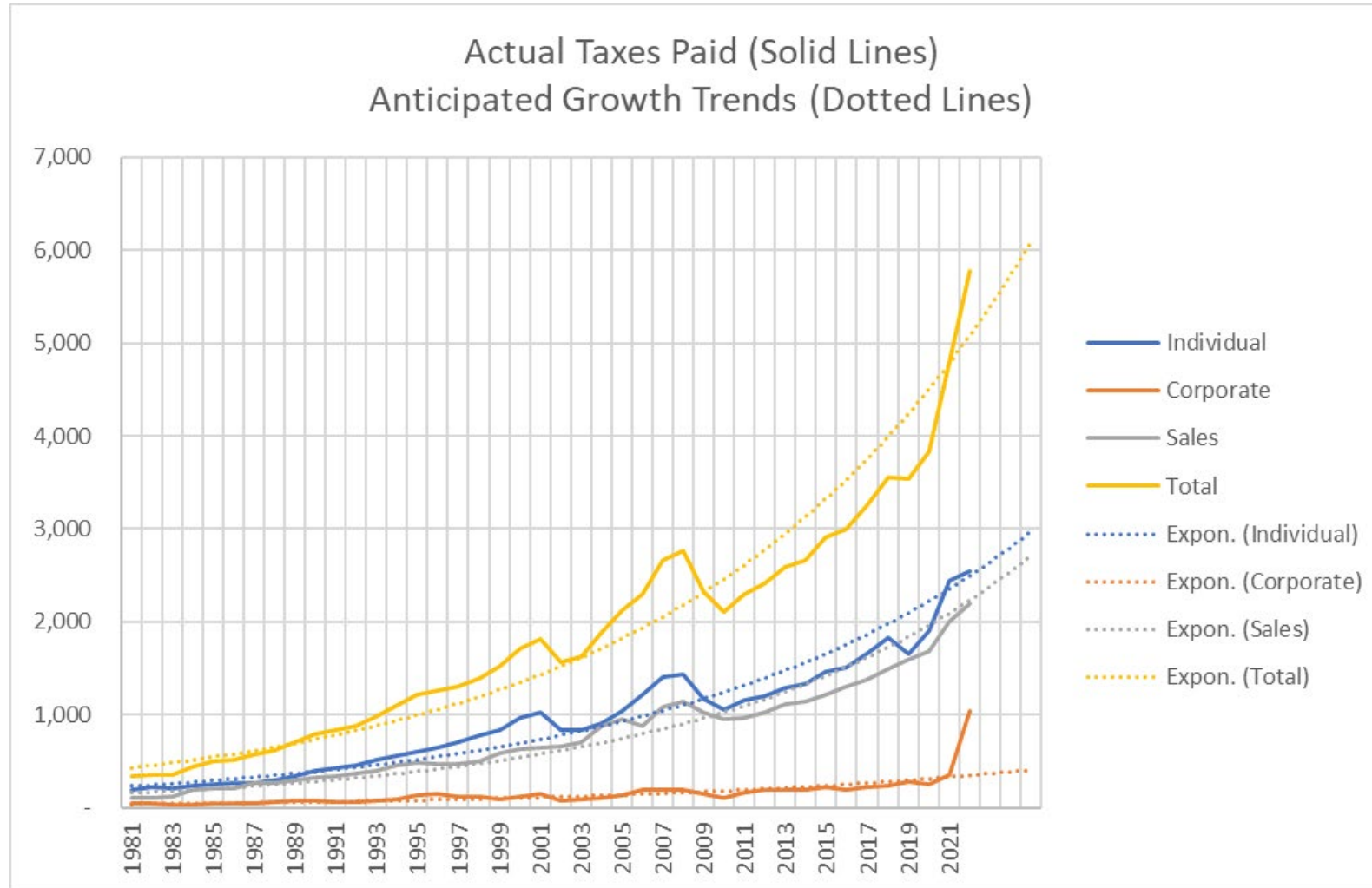
Idaho Tax Revenue Compared to the S&P 500



Actual Revenue And Trendline



Actual Taxes Paid (Solid Lines) Anticipated Growth Trends (Dotted Lines)



Economic and Legislative Effects

Passed Idaho Legislation and adjustments to the Model

- Lowered Income tax from 6.5% to 6.0% retroactive to January 1, 2022
- Consolidated the income tax brackets to a flat tax at 5.8%
- \$410 million of annual funding directly from the state's sales tax to the public school income
- SALT Deduction for Business, Single Sales Factor Market Based Sourcing
- Past tax cuts saw short term revenue reduction followed by growth

Forecasting Idaho's Economic Picture

- Idaho population fastest growing in U.S., businesses are expanding or locating in Idaho
- Americans (and a higher percentage of high income earners) moved to States with lower taxes and sound tax structure
- Most Idaho industries Expanded in last year with profit increasing
- Household balance sheets are still solid, Corporate balance sheets (as a group) are excellent
- Mountain west region continues to be resilient and strong
- Moderating from overheated demand
- Ongoing interest rate increases create demand-side risks

ATI Summary of General Revenue Fund Projections

July 2022 \$ Millions	ATI Projected Revenue		
Tax Category	FY 2022 (Actual)	FY 2023 (Forecast)	FY 2024 (Forecast)
Individual Income Tax	\$ 2,602.6	\$ 2,401.3	\$ 2,409.0
	6.4%	-7.7%	0.3%
Corporate Income Tax	\$ 1,039.2	\$ 948.4	\$ 959.0
	197.8%	-8.7%	1.1%
Sales Tax	\$ 2,195.4	\$ 2,340.6	\$ 2,462.0
	9.5%	6.6%	5.2%
Product Taxes	\$ 85.9	\$ 79.3	\$ 80.4
	16.1%	-7.7%	1.4%
Miscellaneous Revenue	\$ 274.5	\$ 342.2	\$ 347.0
	101.8%	24.6%	1.4%
Total General Fund Revenues	\$ 6,197.6	\$ 6,111.8	\$ 6,257.4
Dollar Change over Previous Year	\$ 1,188.5	\$ (85.8)	\$ 145.6
Percentage Change over Prior Year	23.7%	-1.4%	2.4%