

# January FY2023 Economic Outlook & Revenue Assessment Committee Presentation

Jeff McCray, Chairman  
Idaho State Tax Commission

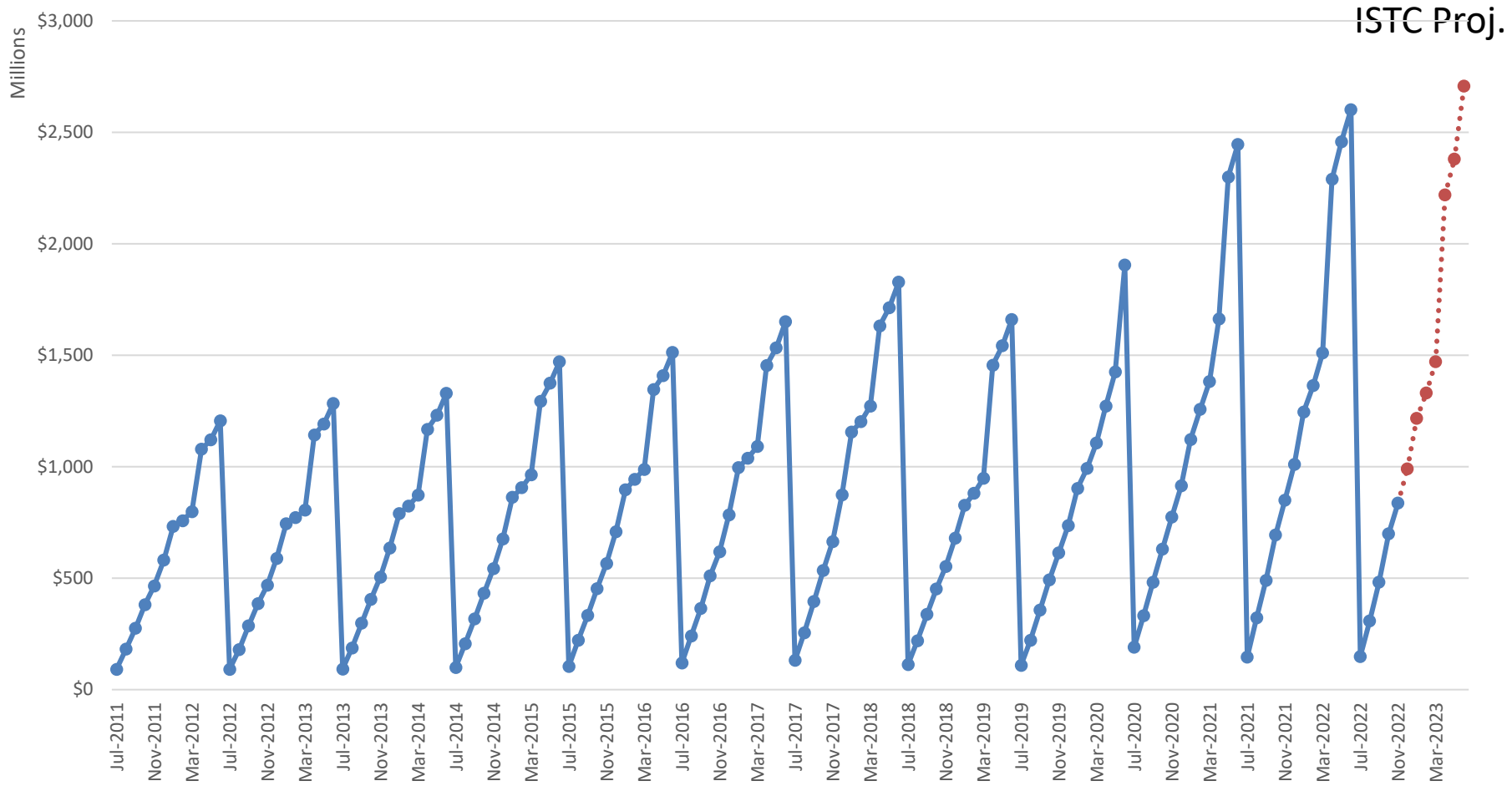
# What you'll see here...

- Historical IIT, BIT, Sales and Total ISTC collected tax revenues from FY2011 to present.
- Factors impacting the economy and tax revenues.
- Tax Commission's FY2023 & FY2024 Green Sheet projections.

# Facts and Other Constructs

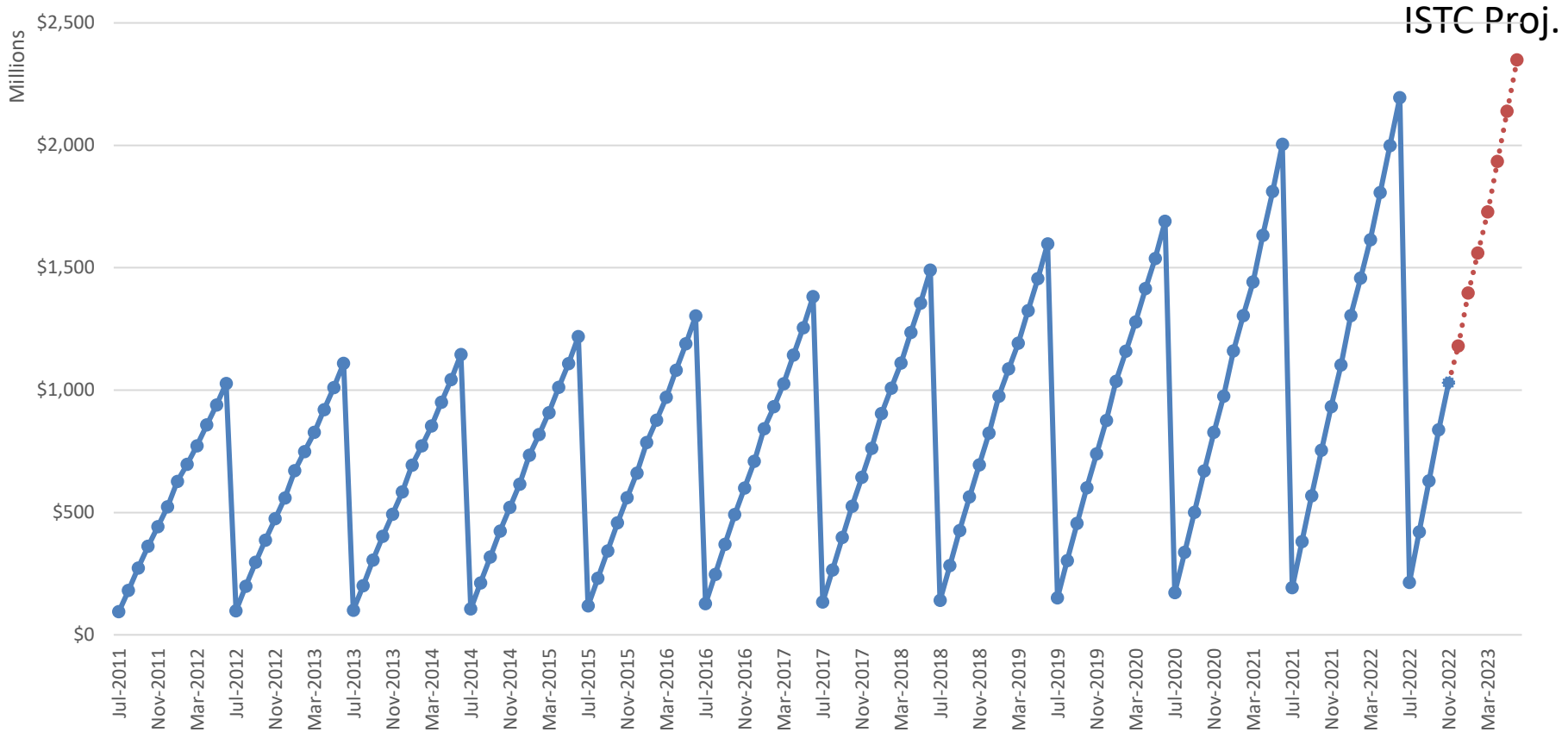
- IIT Tax Year 2021 Individual & Business Income Tax return filings.
- Under employment.
- Continued global & political uncertainty.
- Population growth in ID.
- Inflationary factors.
- Impact of Federal dollars.
- Impact of ID tax rebates!!!
- Impact of income tax rate reductions.

# Fiscal Year-to-Date Individual Income Tax Revenue Distributed to General Fund, July '11 - November '22

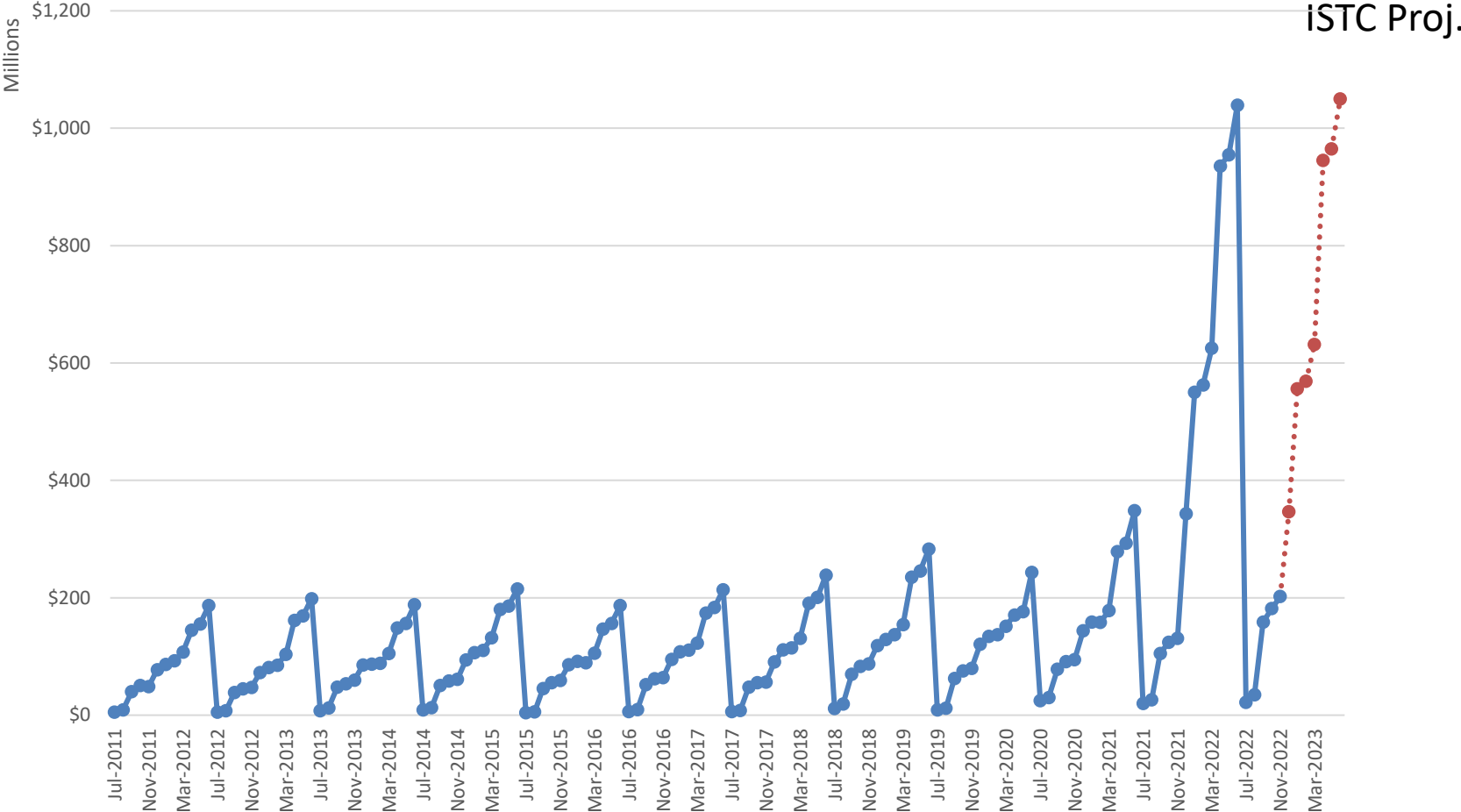


# Fiscal Year-to-Date **Sales Tax** Revenue Distributed to General Fund, July '11 – November '22

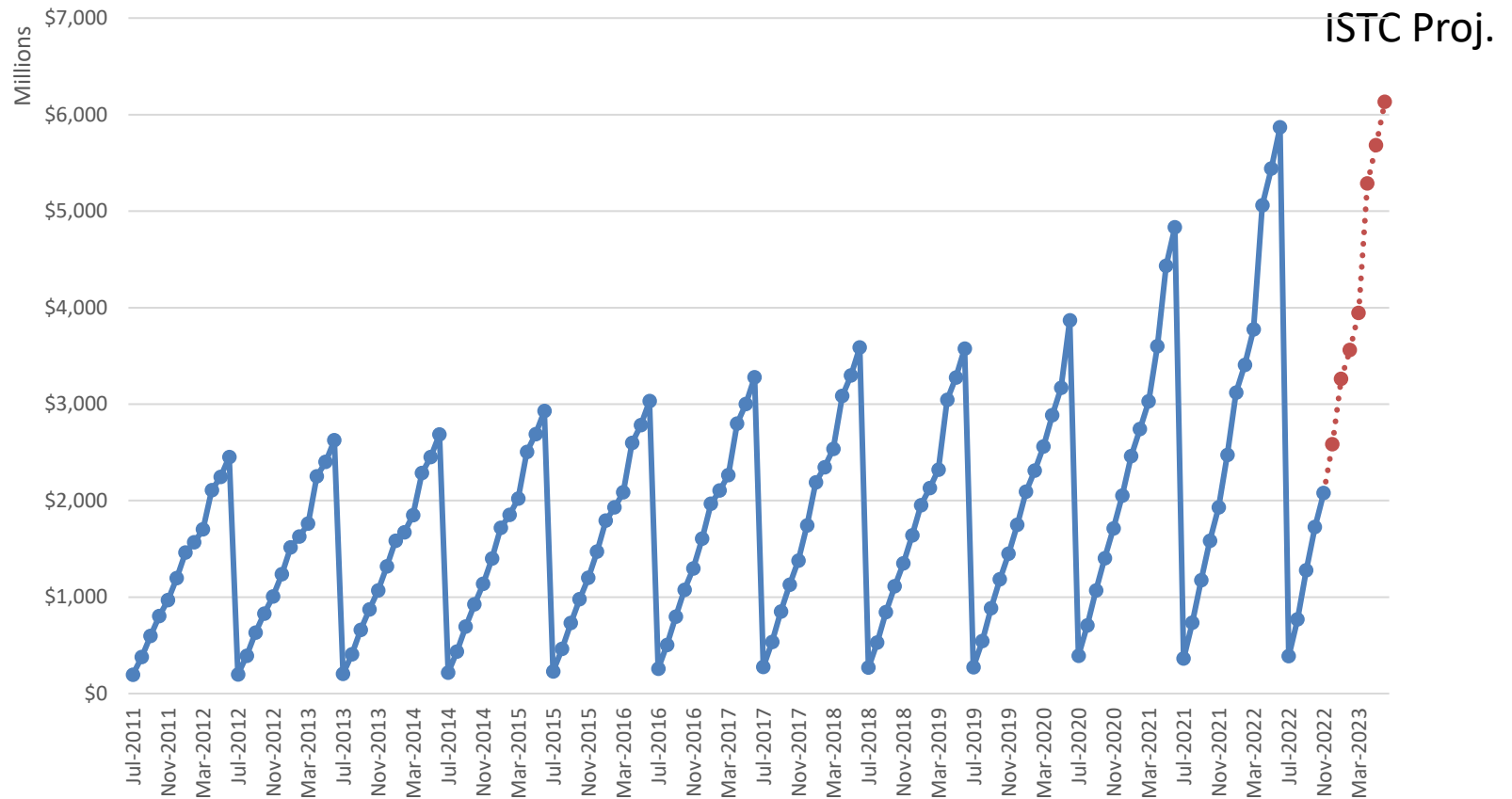
(Does Not Include Sales Tax Credited to the Tax Relief Fund)



# Fiscal Year-to-Date Business Income Tax Revenue Distributed to General Fund, July '11 – November '22



# Fiscal Year-to-Date ISTC Total Revenue Distributed to General Fund, July '11 – November '22



# Idaho State Tax Commission General Fund Estimates for FY2023 (in Millions)

Idaho State Tax Commission General Fund Estimate for Fiscal 2023 (M)				
Tax Type	FY2022 Actual	FY2023 Estimate	Difference	Percent Change
Individual Income Tax	\$2,602.2	\$2,706.3	\$104.1	4.0%
Corporate Income Tax	\$1,039.2	\$1,044.4	\$5.2	0.5%
Sales Tax	\$2,195.4	\$2,349.0	\$153.7	7.0%
Product Taxes				
Cigarette	\$9.5	\$9.1	-\$0.4	-4.0%
Tobacco Products	\$11.9	\$12.4	\$0.5	4.0%
Beer	\$2.2	\$2.3	\$0.0	1.0%
Wine	\$4.9	\$5.4	\$0.5	10.0%
Product Tax Total	\$28.6	\$29.2	\$0.6	2.1%
Other Taxes				
KWH	\$1.6	\$1.6	\$0.0	0.1%
Mine License	\$0.0	\$0.0	\$0.0	0.1%
Total	\$1.6	\$1.6	\$0.0	0.1%
ISTC Total	\$5,867.0	\$6,130.5	\$263.6	4.5%
General Funds Not Collected by the ISTC	\$330.6	\$347.2	\$16.5	5.0%
Grand Total	\$6,197.6	\$6,477.7	\$280.1	4.5%
*Some of the totals and percent changes are impacted by rounding to the nearest \$100,000.				
** Sales Tax does not include revenues credited to the tax relief fund.				



# Idaho State Tax Commission General Fund Estimates for FY2024 (in Millions)

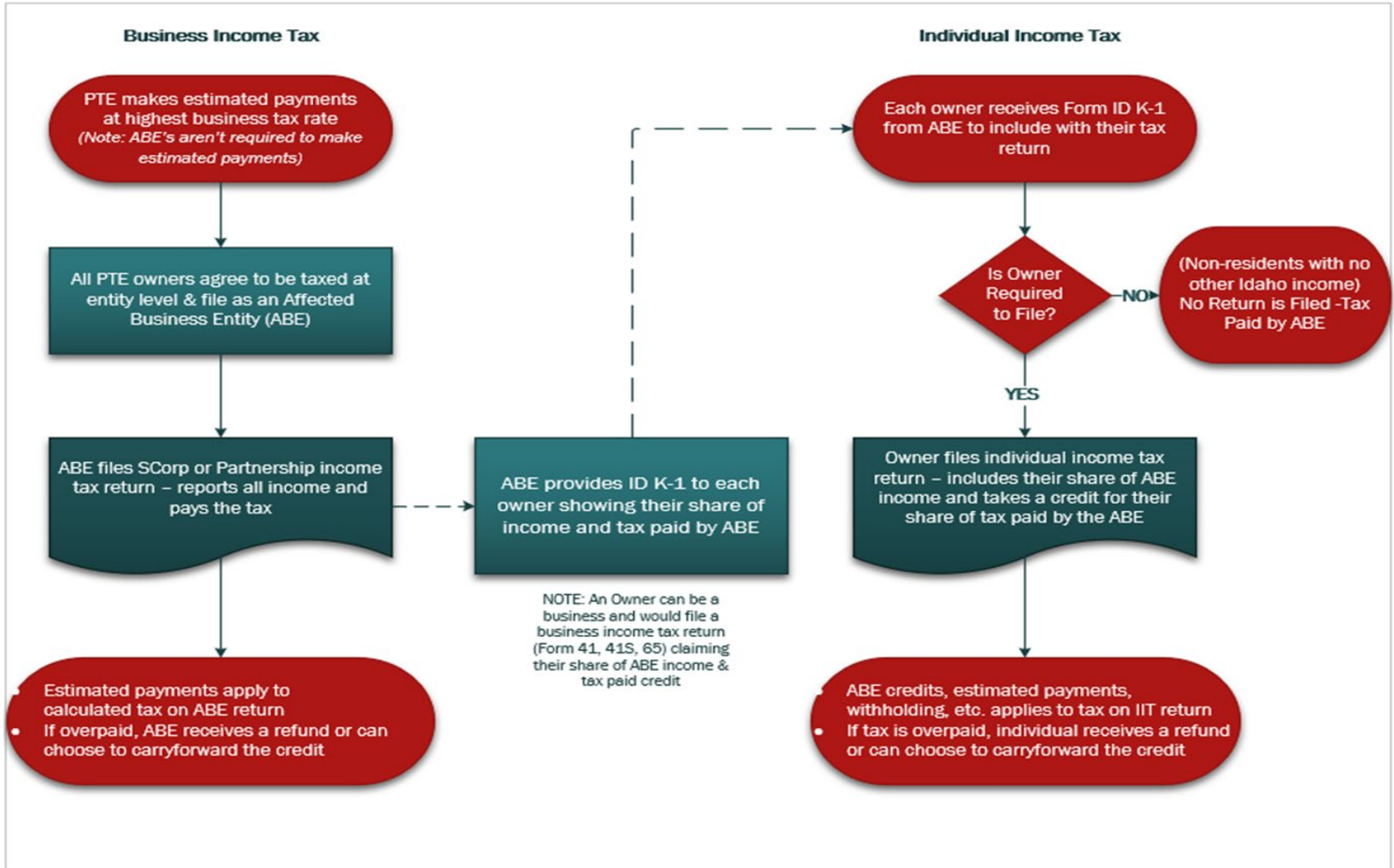
Idaho State Tax Commission General Fund Estimate for Fiscal 2024 (M)				
Tax Type	FY 2023 Estimate	FY 2024 Estimate	Difference	Percent Change
Individual Income Tax	\$2,706.3	\$2,760.4	\$54.1	2.0%
Corporate Income Tax	\$1,044.4	\$1,045.4	\$1.0	0.1%
Sales Tax	\$2,349.0	\$2,466.5	\$117.5	5.0%
Product Taxes				
Cigarette	\$9.1	\$9.0	-\$0.2	-2.0%
Tobacco Products	\$12.4	\$12.4	\$0.0	0.3%
Beer	\$2.3	\$2.4	\$0.1	5.0%
Wine	\$5.4	\$5.7	\$0.3	5.0%
Product Tax Total	\$29.2	\$29.5	\$0.2	0.8%
Other Taxes				
KWH	\$1.6	\$1.6	\$0.0	0.4%
Mine License	\$0.0	\$0.0	\$0.0	0.1%
Total	\$1.6	\$1.6	\$0.0	0.4%
ISTC Total	\$6,130.5	\$6,303.4	\$172.9	2.8%
General Funds Not Collected by the ISTC	\$347.2	\$364.5	\$17.4	5.0%
Grand Total	\$6,477.7	\$6,667.9	\$190.2	2.9%
*Some of the totals and percent changes are impacted by rounding to the nearest \$100,000.				
** Sales Tax does not include revenues credited to the tax relief fund.				

# Questions?

## Affected Business Entity - ABE

The Affected Business Entity (ABE) election allows pass-through entities (S Corporations and Partnerships) to pay state tax at the entity level, take a federal deduction for the tax payment and have an offsetting Idaho credit against their individual income tax liability. Since the SALT deduction cap (\$10,000 limitation) doesn't apply to business taxes, this allows the individual owners to avoid the cap.

# ABE Process



# ABE

<u>Form Type</u>	<u>Return Count</u>	<u>ABE Credit Amount</u>
40- Resident Individual	11,860	\$358,613,659.00
43- Part-Year & Non-Resident	1,290	\$24,057,934.00
41- Corporate	0	\$0.00
41S- S Corporation	9	\$322,201.00
65- Partnership	12	\$1,069,071.00
66- Fiduciary	228	\$15,970,025.00
<b>TOTAL</b>	<b>13,399</b>	<b>\$400,032,890.00</b>

\*As of 12/6/2022