

# January FY2025 Economic Outlook & Revenue Assessment Committee Presentation

Jeff McCray, Chairman  
Idaho State Tax Commission

# What you'll see here...

- Factors impacting the economy and tax revenues
- Time series revenues for IIT, BIT, Sales and total ISTC collected tax revenues distributed to the general fund
- Tax Commission's FY2025 & FY2026 Green Sheet projections

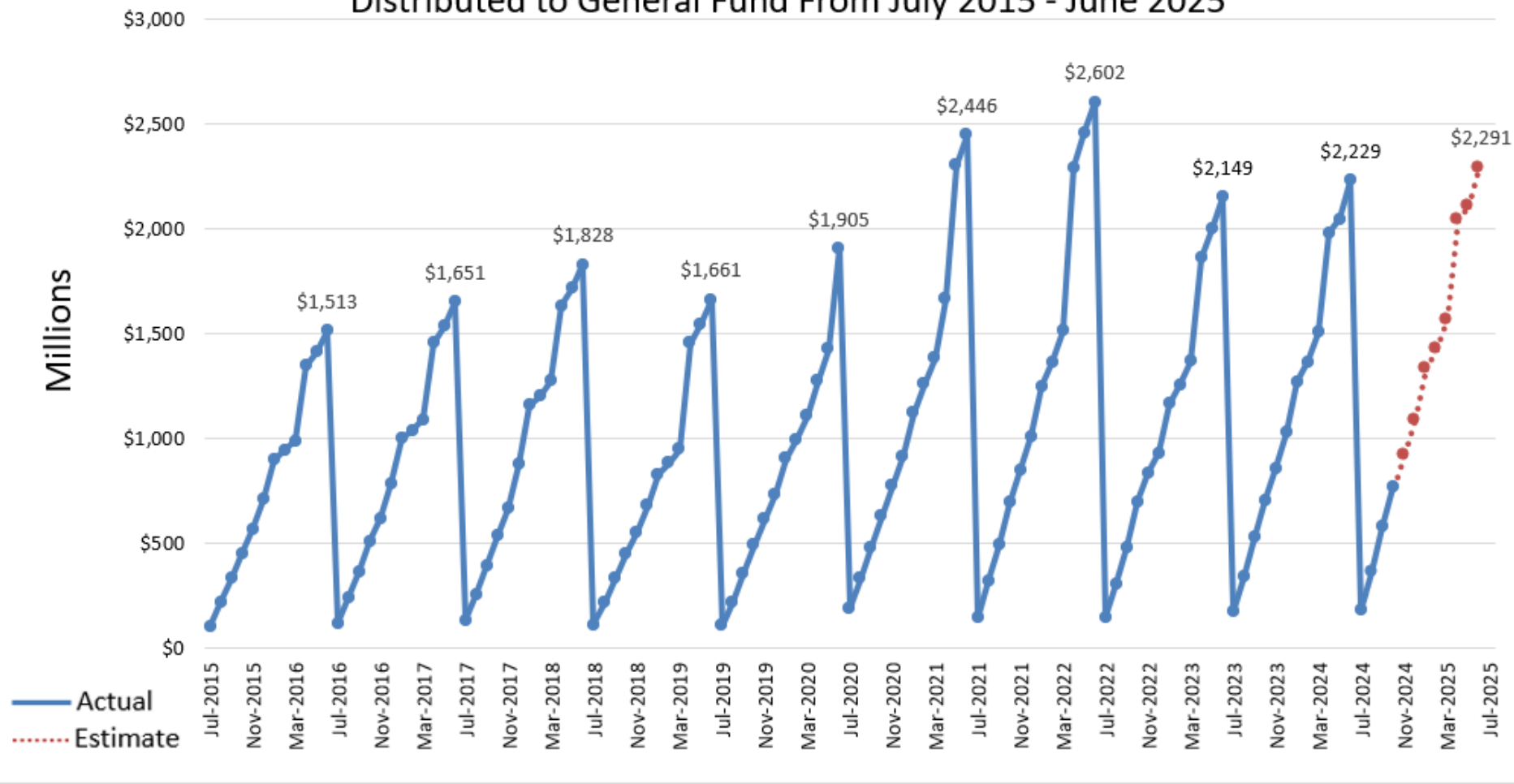
# Revenue Estimate Factors

- Tax return filings
- Population growth in ID
- Continued global & political uncertainty
- Inflationary factors
- Policy changes
  - Income tax rate reduction (HB521: 5.8% to 5.695%)
    - \$46.9 M (Estimate) Individual Income Tax Reduction
    - \$12.2 M (Estimate) Corporate Income Tax Reduction
  - Sales tax distribution (HB292 - 2023 & HB 521 - 2024)

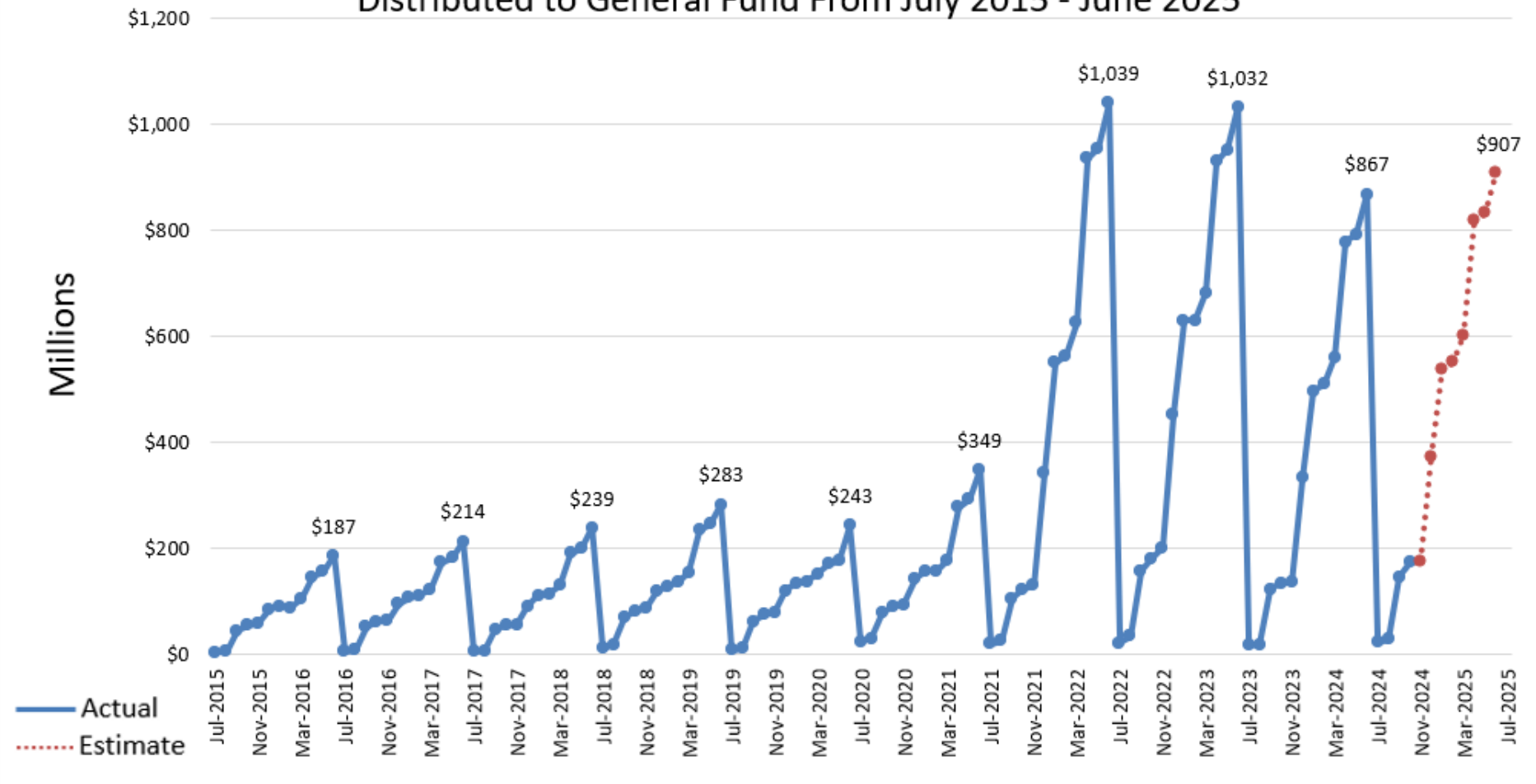
## Revenue Estimate Factors...*cont.*

- Sales tax distribution effects to the General Fund reduced by almost \$470 million over the last two years:
  - \$330 M: Public School Fund (*HB292*)
  - \$80 M: In-demand Career Fund (*HB292*)
  - \$54.4 M (2.25% of sales revenue): School District Facilities Fund (*HB292*)
  - \$54.4 M (2.25% of sales revenue): Property Tax Relief Fund (*HB292*)
  - \$125 M: School Modernization Facilities Fund (*HB521*)
  - \$26 M (Estimate of 1% increase from 2.25% to 3.25%): School District Facility Fund (*HB521*)

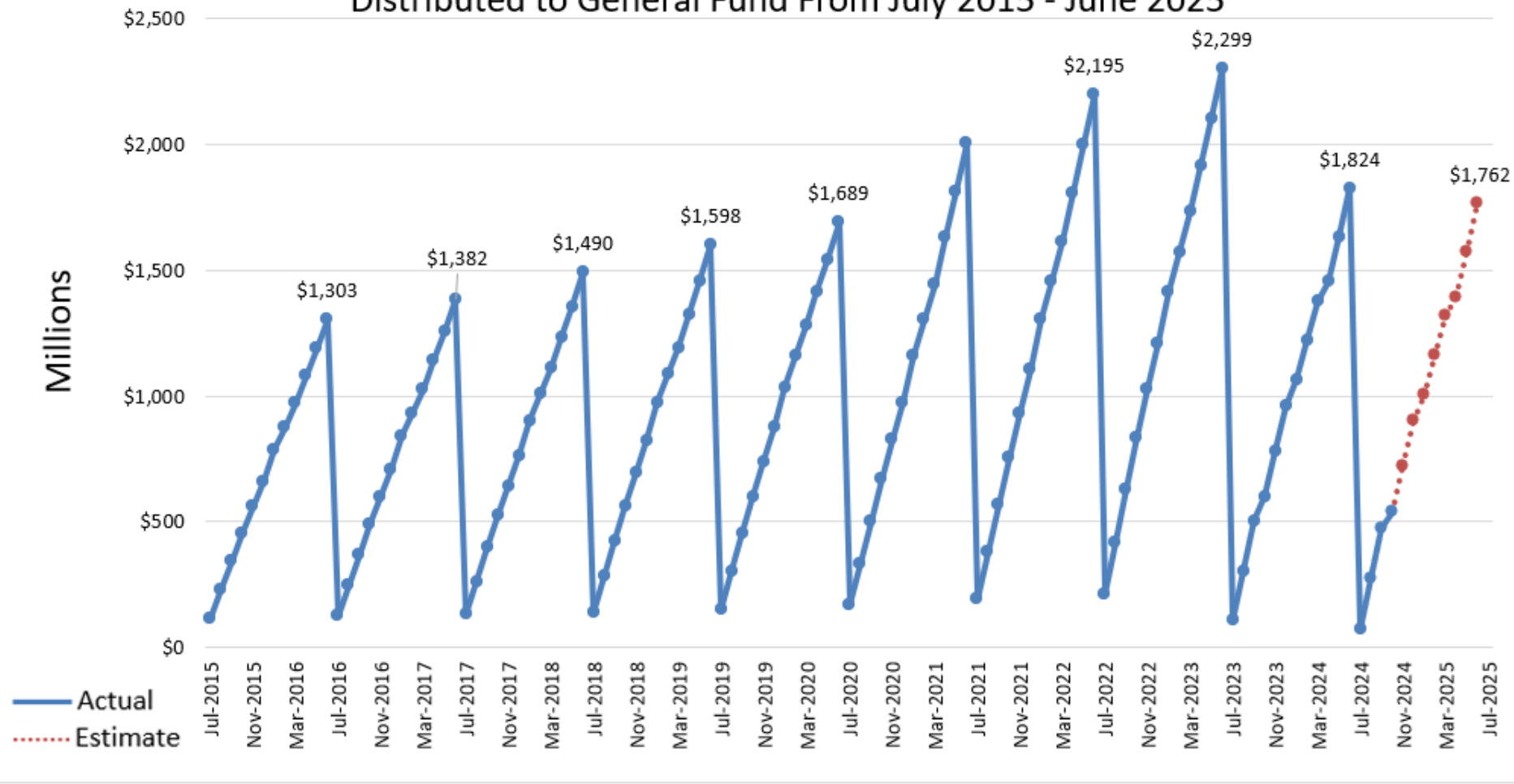
## Fiscal Year-to-Date Individual Income Tax Revenue Distributed to General Fund From July 2015 - June 2025



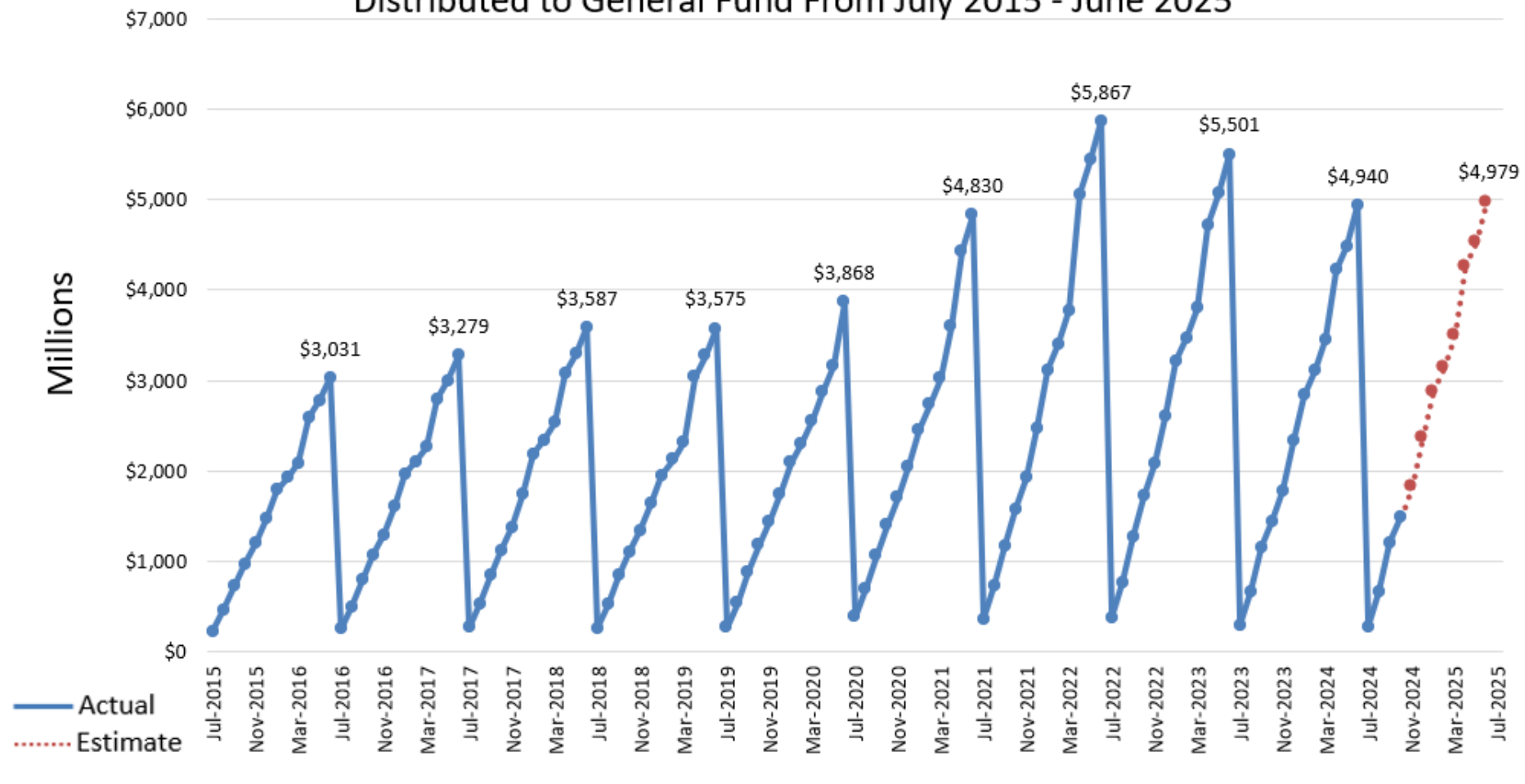
## Fiscal Year-to-Date Corporate Income Tax Revenue Distributed to General Fund From July 2015 - June 2025



## Fiscal Year-to-Date Sales Tax Revenue Distributed to General Fund From July 2015 - June 2025



## Fiscal Year-to-Date Total Combined ISTC Taxed Revenue Distributed to General Fund From July 2015 - June 2025





# Idaho State Tax Commission General Fund Estimates for FY2025 (in Millions)

Idaho State Tax Commission General Fund Estimate for Fiscal 2025 (M)				
Tax Type	FY2024 Actual	FY2025 Estimate	Difference	Percent Change
Individual Income Tax	\$2,228.7	\$2,291.4	\$62.7	2.8%
Corporate Income Tax	\$867.5	\$906.9	\$39.4	4.5%
Sales Tax	\$1,823.9	\$1,761.7	-\$62.2	-3.4%
Product Taxes				
Cigarette	\$0.0	\$0.0	\$0.0	N/A
Tobacco Products	\$10.4	\$10.0	-\$0.4	-4.2%
Beer	\$2.2	\$2.2	\$0.0	0.8%
Wine	\$5.4	\$5.3	-\$0.2	-3.1%
Product Tax Total	\$18.0	\$17.5	-\$0.6	-3.3%
Other Taxes				
KWH	\$2.1	\$1.7	-\$0.3	-15.9%
Mine License	\$0.3	\$0.2	-\$0.2	N/A
Total	\$2.4	\$1.9	-\$0.5	-20.5%
ISTC Total	\$4,940.5	\$4,979.3	\$38.8	0.8%
General Funds Not Collected by the ISTC	\$426.3	\$436.1	\$9.8	2.3%
Grand Total	\$5,366.7	\$5,415.4	\$48.7	0.9%
*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.				

# Idaho State Tax Commission General Fund Estimates for FY2026 (in Millions)

Idaho State Tax Commission General Fund Estimate for Fiscal 2026 (M)				
Tax Type	FY 2025 Estimate	FY 2026 Estimate	Difference	Percent Change
Individual Income Tax	\$2,291.4	\$2,354.0	\$62.6	2.7%
Corporate Income Tax	\$906.9	\$946.4	\$39.4	4.3%
Sales Tax	\$1,761.7	\$1,699.5	-\$62.2	-3.5%
<b>Product Taxes</b>				
Cigarette	\$0.0	\$0.0	\$0.0	N/A
Tobacco Products	\$10.0	\$8.8	-\$1.2	-12.2%
Beer	\$2.2	\$1.9	-\$0.2	-11.0%
Wine	\$5.3	\$4.8	-\$0.5	-9.6%
<b>Product Tax Total</b>	<b>\$17.5</b>	<b>\$15.5</b>	<b>-\$2.0</b>	<b>-11.2%</b>
<b>Other Taxes</b>				
KWH	\$1.7	\$1.5	-\$0.2	-13.6%
Mine License	\$0.2	\$0.2	\$0.1	N/A
<b>Total</b>	<b>\$1.9</b>	<b>\$1.7</b>	<b>-\$0.2</b>	<b>-8.2%</b>
<b>ISTC Total</b>	<b>\$4,979.3</b>	<b>\$5,017.1</b>	<b>\$37.8</b>	<b>0.8%</b>
<b>General Funds Not Collected by the ISTC</b>	<b>\$436.1</b>	<b>\$446.4</b>	<b>\$10.3</b>	<b>2.4%</b>
<b>Grand Total</b>	<b>\$5,415.4</b>	<b>\$5,463.5</b>	<b>\$48.1</b>	<b>0.9%</b>
*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?